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## From the Managing Editor

The media these days are loaded with images and stories of the plight of Kurdish refugees fleeing from Iraq, as commentators demand even harsher retribution against that devastated nation, supposedly to stop “Saddam Hussein’s murder of civilians.” It’s as if nobody has noticed that the U.S.-led bombing war against Iraq killed somewhere between 200,000 and 500,000 people, most of them civilians. Iraq’s Chaldean Catholic Patriarch Bidawid, who estimates that half a million Iraqis died, now reports that hundreds of thousands of people—by no means only Kurds—are roaming on foot throughout the countryside, looking for food and water. Truly, a Dark Age is descending.

Please turn to the report by U.N. Undersecretary General Martii Ahtisaari, released following a one-week trip to Iraq in March. Since this report has generally been blacked out in the media, we publish substantial excerpts here, documenting the extent of the crisis. The report shows most starkly the link between the *real economy* of a nation, and political reality—the link which the monetarists and yuppies seek to deny. As Ahtisaari shows, a relatively developed nation like Iraq is even more ruined by war than a more backward country would be; food relief is not enough, since without energy, nothing can function in a modern society. Food cannot be transported, and epidemic diseases are on the rise because of the lack of clean water and sewage treatment.

The primacy of the *real economy* is the cornerstone of Lyndon LaRouche’s economics, which has been uniquely correct, by comparison to the economists of New York and London, in forecasting the current worldwide economic crisis. The correctness of LaRouche’s method is also demonstrated in our cover *Feature*, on the outbreak of cholera in Peru—a direct result of the austerity conditionalities of the International Monetary Fund.

What fools are those whose Third World governments are currently supporting Bush’s new world order, in the hopes that *someone else will be next, that they will be spared*. If they do not fight back, they will each take their turn on the chopping block. And the same goes for the people of the United States and the other Western countries that are still cheering the United Nations’ “coalition.”

*Susan Welsh*

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## Asset seizures a weapon in U.S. trade wars

by Chris White

The U.S. Treasury Department was the vehicle for launching a new phase in the Bush administration's fascist economic policy, with the publication on April 1 of measures directed against companies and individuals declared to be fronts or agents of the government of Iraq.

Fifty-two companies and 37 individuals, in the United States, Europe, and the Middle East, were identified in the report. Assets of these corporations and individuals are subject to seizure. It is now illegal, under powers taken in early August of last year, for any U.S. company or individual to do business with any of the companies or individuals identified on the list.

Why issue such a report now? Isn't the war supposed to be over? These are the kind of questions which ought to be asked, for they point toward the reality, once again, that Bush's holocaust against Iraq and its population is indeed a pretext for something else.

### **Bash the allies**

The report's issuance is a transparent attempt to leverage backward U.S. popular opinion into support for financial, economic, and trade war now unleashed against allies in Europe and Japan. Remember how they riled up the mob on what they call the "burden-sharing" question—the press and the voices from Capitol Hill, like Sen. Ernest Hollings from South Carolina, and his friends, on how Germany and Japan weren't "doing enough." Those countries did pay the funds extorted from them for Bush's war, yet now the Treasury report, the asset seizures policy, is part of the escalation against them.

If this policy commitment continues to be tolerated, people might look back on the April Fool's Day release of the report to rue the fact that those who supported this approach

were themselves the ones who were played for suckers; for the consequences open up the short path to national suicide.

Since Germany and Japan remain the two islands in the world economy that are relatively unaffected, to this point in time, by the depression which ravages the Anglo-American world, and by the genocidal destruction wreaked against the Southern Hemisphere through International Monetary Fund conditionalities policies, trade war targeting Germany and Japan, if successful, will destroy the only basis for economic recovery anywhere in the world.

### **Blackmail and thuggery**

The report on Iraqi assets draws on the so-called investigative work of the Pearson Group's newspaper, the *Financial Times* of London, and its reporter Allen Friedman; British government agencies, including the Department of Trade and Industry; and a private New York investigative agency associated with British intelligence, the CIA, and Edgar Bronfman's Anti-Defamation League of B'nai B'rith, known as Jules Kroll Associates. This outfit in turn was working with the Manhattan District Attorney Robert Morgenthau. The Los Angeles-based Simon Wiesenthal Center was also part of the combination which produced the blacklist.

This is the same basic crowd that set up the pretexts for the Persian Gulf war in the first place. Kroll Associates is described by British newspapers as "Wall Street's CIA." Kroll told CBS how he had estimated the amount of Iraqi assets salted away abroad: He simply made up a number, \$10 billion, by assuming that an arbitrary 5% of Iraq's earnings from oil sales had been salted away every year. Then, he deployed his staff to find the money. The Treasury's approach does not seem to be any different than this.

Targeted are leading German industrial corporations such

as Daimler-Benz, MBB, and Thyssen. The German companies have been accused of supplying the technology which assisted the so-called Iraqi war buildup. Such companies were identified in a recent broadcast of CBS television's "60 Minutes," and in subsequent coverage in West Germany's *Der Spiegel* magazine, as well as in the *Financial Times*. Not yet on the Treasury list, such companies as Daimler-Benz have come under investigation within Germany, because of pressure from the United States and Great Britain on the matter of their alleged transactions with Iraq.

Japan has been a target of a different sort. On March 29, the Bush administration's Office of the Special Trade Representative issued its latest report on "Barriers To Trade." Japan is cited as one among the principal obstacles to the spread of U.S. trade, along with Third World countries like Brazil, India, and Thailand. In this report, we learn that "excessive paperwork" is a principal reason why U.S. telecommunications equipment is barred from the Japanese market.

Production of a report of this nature on an annual basis was mandated by trade legislation now in force. The report is designed to provide the basis for the adoption of counter-measures and sanctions against countries which are targeted. This is the procedure which goes under the name "Super 301." The Special Trade Representative's report therefore delivers the same kind of message to Japan that the Treasury blacklist delivers to Germany. In the language of blackmail and thuggery this is: Do what we require, or there is more and worse to follow.

Both Germany and Japan have come under fire for not doing their "fair share" to help Bush and his allies in the genocide against Iraq. Both are expected to cough up the tribute required to pay for that military atrocity, and they have complied.

This is the kind of Goebbels-style propaganda which the majority of the U.S. population seems to fall for these days, the more completely when couched in the language of sports or "fairness." But such lies cover for the real target, and the real, twofold concern. On the one side, the fear of the emergence of a bloc of nations on the Eurasian continent committed to policies of economic and technological development, through upgrading of infrastructure; on the other, the rage that such a combination would disrupt the schemes for a new Roman Empire, based on subjugating the rest of the world to Anglo-American power, propagated in the name of Bush's new world order.

Such a policy alternative has a name: It is the Productive Triangle of European infrastructure development. As designed by the jailed U.S. politician and economist Lyndon LaRouche, rapid development of the core area bounded by Paris, Berlin, and Vienna, and the spiral arms which feed into that core area, through development of high-speed rail freight transport, would provide the margin of new wealth, in the form of increased productive potential, which alone can reverse the world's present course to disaster. Among

the companies identified on Kroll's target list are companies which would be the builders of the infrastructure programs called for in LaRouche's program.

### Who is to blame?

Since there is no other such source for recovery available, the policies reflected in the Treasury and Special Trade Representative's reports are not merely insane, they are also criminal. And those who are the cheerleaders for such efforts ought to be seen in the same light.

For example, the issuance of the Special Trade Representative's report had been prepared by demands for governmental action from the National Association of Manufacturers and the "Big Three" U.S. automakers. The NAM wrote to President Bush demanding a federal government review of all aspects of U.S.-Japanese trade. Primly, the president of NAM, Jerry Jasinowski, insisted that his outfit did not seek to blame Japan for things the United States ought to take responsibility for itself. He went on to insist, however, that Japan is threatening the U.S. standard of living, the competitiveness of U.S. industry, the viability of U.S. high-technology industries, and so on.

The auto industry backed up this approach. The heads of the Big Three, meeting with Bush, demanded government action to restrict auto imports from Japan. Chrysler's Lee Iacocca insisted in a letter to the President that unless action were taken now to restrict Japanese auto imports, within the year Chrysler could be bankrupt and Ford "mortally wounded." Like the National Association of Manufacturers, he no doubt finds it easier to blame the Japanese than himself for the collapse of the U.S. economy. It was Iacocca, after all, who refused to run for President in 1988 because the President then elected would be faced with the biggest economic crisis ever, and Iacocca did not think himself qualified to deal with it. He was right.

But as Iacocca and the other complainers ought to be aware, the United States has no one to blame but itself for the destruction of the economy, living standards, and competitiveness on the international markets. The results of the present, dominant policy, called the "post-industrial" society, were foreseeable, and were foreseen by LaRouche, and have been reported in *EIR* for more than a decade. LaRouche's alternatives to such policies, featuring monetary and credit reorganization, promotion of technology- and energy-intensive skilled employment, and infrastructure development, were rejected by those who now call for the destruction of the economies which have thus far refused to follow the United States and Britain down the path of national suicide. They were also rejected by those who chose not to vote for LaRouche, in favor of sticking with proven disaster. Instead of getting behind a new round of bashing Germany and Japan, it would be better to ask what could be learned from those nations that would help LaRouche's Triangle proposal, and thereby the world, to survive.

# Assassination of Rohwedder benefits free market ideologues

by Rainer Apel

The man in charge of privatizing the industry of what used to be East Germany, Detlev Rohwedder, was murdered by a sniper in his Düsseldorf home on April 1. This meant the death of one of the most capable industry leaders united Germany possesses at this critical time, a man holding one of the most sensitive positions in the country. Chairing the Treuhand state holding company since late August 1990, Rohwedder was responsible for 8,000 former state-run companies of eastern Germany, employing 6-7 million workers.

Born 1932 in the city of Gotha, in the East German state of Thuringia, the former official in the West German government (1970-78) and former executive of Hoesch Steel (1980-90) seemed quite qualified for the job of heading the world's single largest industry holding company and overseeing the privatization of its most productive parts. This, at least, was his original mandate, when he took over with the perspective of doing that job for a period of four years.

The mandate ran into grave trouble, however, when privatization didn't work as had been planned. One main cause was the fact that the Western nations boycotted substantial investments in industry, not only in eastern Germany, but in the rest of the former East European trading community.

Rohwedder toured the United States at the end of last year to organize investors for some of the Treuhand firms. There was a well-coordinated boycott of that effort, however, with administration officials advising Americans against investments in east Germany.

Moreover, the Bush administration would not support the July 1990 German initiative for a multibillion-dollar aid program for Eastern Europe and the Soviet Union, to stabilize production and trade there. The German proposal met the same cold reception in London, and the remaining months of 1990 and the first two months of this year were shaped by the Gulf war mobilization of the Anglo-Americans, assisted by the French. Investments in, or aid to Eastern Europe were not an issue under such circumstances.

## Growing unrest

Had the West launched aid programs for Eastern Europe and the Soviet Union in time, the industry of east Germany, which traditionally played the role of the chief supplier of heavy machines, railway cars, machine tools, optical equip-

ment and other high-tech products, would have had favorable conditions for its integration into the Western economy, as the Treuhand had envisaged.

But it did not happen, and certain free market illusions that were woven into the state holding company mandate gave the final blow to the original concept. Not being able to offer employment and production to most of the 6-7 million workers whom they commanded, Rohwedder and his Treuhand were faced with the outrage of tens of thousands of workers who walked out in protest in numerous east German cities.

Just five days before his death, Rohwedder complained in an interview to the daily *Frankfurter Allgemeine Zeitung* that a systematic "defamation campaign" had been launched against him and the Treuhand. He said that he had taken the job in hopes of assisting the rapid rebuilding of east German industry, but this made him many enemies. Political adversaries had begun to denounce him with epithets such as "hangman" or "slaughterer."

When labor protests came close to reaching the size of the late autumn 1989 mass protests that helped to bring down the hated East German communist regime, the government in Bonn reacted—rather late—and modified the Treuhand mandate so that it would still proceed with the privatization priority, but at a moderated pace and in accordance with political considerations about social, economic, and financial consequences.

## No 'purist free market approach'

This reform created a new danger for the ideologues of the free market. Modest as it was, the Treuhand reform, which Rohwedder helped to design, posed the "threat" of turning away from the British-authored free market system, returning instead to the traditional system of industrial investments organized in a mercantilist mode that made the German economy a success relative to the other economies in the West.

In an address to a gathering of industrial managers and bankers in Pforzheim, West Germany, on March 28, Rohwedder said that a "purist free market approach would never work in east Germany," endorsing continued state management of at least the heavy industrial sector for an extended period of time.

The London *Financial Times* of April 3 denounced the

new German government policy as an "excessive abuse of market principles in the coalition's current attempts to turn the Treuhand into a *super-ministry* with priority given to industrial policy rather than privatization."

When this *Financial Times* verdict went to print, Rohwedder had already been dead for more than 12 hours.

The British attack on the Treuhand had its supporters in Germany: On Good Friday morning, terrorists had ransacked

and committed arson against an office of the Treuhand in Berlin, leaving a pamphlet behind that declared war on the "super-agency Treuhand, which has to be crushed."

And the sniper who killed Rohwedder three days later left behind a pamphlet from the Red Army Faction terrorist gang, which justified the murder as part of the struggle against the "Greater Germany imperialism," for which the Treuhand allegedly was a symbol.

## LaRouche: pawprints of an Anglo-American operation

*Lyndon LaRouche had this comment on the Rohwedder assassination on April 2:*

The assassination of the German official, Detlev Rohwedder, by terrorist mode last night, is of a pattern of several events, including the British-directed terrorist assassination of the banker Alfred Herrhausen in 1989, and the targeting of Jürgen Ponto and Hanns-Martin Schleyer in 1977, the period in which I was targeted by the same people. It is also characteristic of events of the early 1920s, especially the point that every leading Western signator to the Rapallo agreement, save Britain's Lloyd George, was assassinated, including the head of the German AEG Walther Rathenau. Then we go back to the 1880s, on into World War I and World War II.

The pattern here is consistent. Today, in speaking of who is responsible for the assassination of Herrhausen, Rohwedder, and so forth, we would say: the Anglo-American faction behind Nicholas Ridley, Sir Peregrine Worsthorne, and Conor Cruise O'Brien.

The issue is the Mackinder-Milner geopolitical issue, of Eurasian development in opposition not only to British perception of Anglo-American interests, but specifically as a *threat* to the integrity of the satanic New Age doctrine, which embraces the mind of Mrs. Thatcher, George Bush, et al. . . .

The thing to be emphasized in this, is the case of Czar Aleksandr II. Now, without going into great detail about the personality of Czar Aleksandr II himself, the facts remain that the czar intervened against Britain and France in 1862-63, to threaten to make war in Europe, if Britain and France continued their plan to use the British puppet, the Confederacy, to destroy the United States. That was conjoined with Aleksandr's reforms, a kind of stepwise revival of Peter the Great's Leibnizian reforms in Russia, and led to the emergence of the Hanotaux-Witte axis, with two railroads prominent in the whole process: the Paris-

Vladivostok railroad, and the Berlin-Baghdad railroad.

In 1880, 1882, in response to this agreement from Hanotaux, the circles of Aleksandr II and Count Sergei Witte, the Anglo-Americans reacted (particularly the British at that point; they got their American dogs in line later on) by beginning a wave of murders and support for Mazzinian type ultra-radical, disruptive operations, including general waves of assassination. The wave of terrorism was launched by the Anglo-Americans, using opponents of the Alexandrian reforms, for example, in Russia, the so-called neo-Petrine reforms in Russia. This led right in to World War I and World War II as a Thirty Years' War.

When, after World War I, certain forces typified by the Rapallo arrangement began to move again, in a natural, logical way, to try to rebuild a shattered Europe, a shattered Eurasia. Boom! Assassinations again. Again from the Anglo-Americans—very much American at this point.

Then we go into the postwar period. We have the fight against de Gaulle and Adenauer, which comes to a head at the same time as the assassination of Kennedy in 1963; the unleashing of radicalism in 1963 inside the United States, the LSD-25 operation, the Beatles, the whole kit-and-kaboodle. And again, these waves of assassination. . . .

We have the two forces. The so-called Anglo-American reform, flea trade (and I emphasize the "I" in flea), is the pantheistic, satanic doctrine of George Bush's new world order, which was really given to him by the British. That dogma is the enemy of freedom, the enemy of mankind. Wherever that dogma goes, the worst result must ensue. And simply because some Germans, just out of common sense, realize that infrastructure is important, that the economy doesn't function without infrastructure, and that Europe must have a rational system of transportation, cooperation, and so forth, the Anglo-Americans strike and say, "No," as they did from 1880 on, and as they did again from the 1920s, against the Rapallo authorship, and as they did with the British assassination of Ponto in 1977, the British assassination of Herrhausen in 1989, and what looks to be the pawmarks of an Anglo-American assassination operation against Rohwedder last night.

## Grim prospects under free market program

by William Engdahl

Of all the Eastern European economies which appeared a year ago to have optimistic prospects for successful transformation, Czechoslovakia's seemed to take the lead. But today, the prospects appear far worse. The economic radicalism of Harvard's Prof. Jeffrey Sachs, the man who is also responsible for Poland's present economic chaos as well as the breakdown of trade among the former trade partners of Eastern Europe, including the U.S.S.R., is the main reason for the dramatic shift.

Under Finance Minister Vaclav Klaus, Czechoslovakia has embarked on a monetarist policy which was drafted for him by Western interests keen on buying the assets of the economy on the cheap. Harvard's Sachs is one of those advisers. It is no surprise, therefore, that living standards and industry are being made the victims of the radical measures. On Jan. 1, food prices increased 26%; on April 1, electricity rates rose by 80% for industry, and a similar hike for household electric power is planned for September.

Czechoslovakia's trade is overwhelmingly dependent on its traditional market in the Soviet Union, with 85% of exports sent to the U.S.S.R. in 1989. Along with other East European economies, this trade has collapsed in the past two years. Since 1989, exports to the U.S.S.R. have dropped to one-third their former level, or from \$5.5 billion down to an estimated \$1.8 billion in 1990.

One of the largest components of the trade has been the shift in terms for oil and gas imports. Under previous procedures of the now-defunct Council for Mutual Economic Assistance (CMEA or Comecon), Czechoslovakia, like other Eastern European economies, enjoyed significantly lower costs for imported Soviet oil. In 1990, Czechoslovakia was still able to import Soviet oil at a price equivalent of \$6.50 a barrel. But as of January, it must pay world market price for its oil, more than doubling its oil import costs, all of it for the first time payable in Western hard currency, draining scarce hard currency reserves. As a result, the government has been seeking various barter schemes with the U.S.S.R., arms-for-oil deals with Iran, and other desperate maneuvers.

### The Klaus 'reforms'

Living standards have fallen since the Klaus economic "reforms." For 1990, real wages are estimated to have fallen by 4%, as inflation reached almost 10%, which is nearly triple the rate of 1989. The gross output of industry fell almost 4%, while freight tonnage dropped more than 10%. The Czech currency, the crown, was devalued last October by 50%, in following the International Monetary Fund's (IMF) program of slashing imports and boosting exports. Although nominally improving the balance of payments, the benefits are more than dubious, as the program has precluded import of badly needed Western technology to make industry more productive.

Klaus calls himself a follower of Mont Pelerin radical monetarist Milton Friedman, and is pursuing a radical anti-inflation "cure" that is stifling economic growth, at the very time that it is most important to redirect the economy after more than 40 years of communist distortions. Klaus was a speaker at the closed-door Munich meeting in June 1990 of the Mont Pelerin Society, together with Friedman. On assuming office in the new government as finance minister in December 1989, Klaus's first act was to formally apply for membership in the IMF, after 35 years.

The Czech economic problems will now dramatically worsen as a result of the planned privatization of heavy industry, and despite continued favorable publicity in Western media, Vaclav Klaus was found, in an official November 1990 Public Opinion Institute poll, to be "the least trusted man in Czechoslovakia." He has repeatedly refused to divulge any long-term strategy for rebuilding the economy, other than to tell the country that his privatization plans will result in "negative consequences" for employment and production. No less reassuring for those seeking signs of genuine openness in Czechoslovakia, the government, on the advice of Klaus, voted on Dec. 10 to suppress the 1991 economic forecast published by the Ministry for Strategic Planning, entitled "The Strategy of the Czechoslovakian Economy to the Year 1992."



*Harvard punk Jeffrey Sachs: First he turned the Bolivian economy on to drugs; then he wrecked what was left of Poland when the communists got through; now he has set his sights on Czechoslovakia.*

# Food relief requires world mobilization

by Marcia Merry

The state of the world food emergency is highlighted by the scale of relief requirements for Iraq, relative to the lack of food stocks available for minimum global food consumption.

Over the latter half of the 1980s, annual world output of cereals of all types (wheat, rice, millet, and others) was less than the annual average consumption for three years in a row. This meant a drastic drawdown in staple cereals stocks. The annual carryover of reserve grain stocks fell below 16%—the level considered by the U.N. Food and Agriculture Organization (FAO) as the absolute minimum for food security. The International Monetary Fund (IMF), World Bank, and related financial control centers demanded that poor nations, if hit by bad weather and poor harvests, simply accept hunger and starvation for their people. Annual food relief given through the World Food Program fell from over 13 million tons to barely 9.9 million tons last year.

The 1990 crop year saw good grain crops in the northern latitudes—especially in the Soviet Union and the United States. The grain monopolies—Cargill, Bunge, Louis Dreyfus, André/Garnac, Toepfer/ADM, Continental and a few others—dropped the price of wheat paid to the farmer to only \$2.40 a bushel, claiming there was a wheat glut.

However, one good year does not make up for a series of low harvests and desperate, unmet food needs. In the 1990 crop year, harvests of grains were below needed consumption levels in both South America and Africa. The disintegrating Soviet economy is not able to make good use of its 1990 harvest. And the very low wheat prices are jeopardizing farmers' ability to plant the next crop, or even to remain in operation, on all continents.

## Iraq crisis makes things worse

The particular crisis area as of 1990 is sub-Saharan Africa, where two years of dry weather, after decades of prevention of agriculture infrastructure (irrigation, canals, mechanization, and crop protection), have created a need for millions of tons of relief cereals in 1991.

In this context, the obliteration-bombing of Iraq has added an extraordinary additional requirement of over 4 million tons of relief food for 1991, including over 3 million tons of cereal staples. Unless more food is produced and mobilized as aid for Iraq and other areas of need, trade-offs between recipient nations will mean genocide.

The U.N. FAO addressed the problem at its March meet-

ing in Rome of the 16th session of the Committee on World Food Security. A report was issued entitled "FAO Confirms Record Global Cereal Output in 1990 and Warns of Worsening of Regional Food Supplies." This report has stark statistics on unmet food needs, even without its taking into account the food required for Iraq.

"World cereal production has increased by 4%, from 1,706 million tons in 1989 to 1,784 million tons in 1990 due largely to sharp increases in North America, Asia, notably China, India and Bangladesh," the release states. "Although the 1990 harvest was a record for low-income food-deficit countries as a whole, cereal production declined in Africa and Latin America, deteriorating further the food supply situation and increasing the number of countries requiring external assistance."

FAO head Edouard Saouma stressed that Africa has 15 of the 24 countries facing exceptional food shortages. He said, "For a large number of developing countries, the burden imposed by the conflict in the Gulf has exacerbated their economic and social difficulties. For instance, submissions to the Security Council of the United Nations for compensation cite the losses of export markets and additional import costs, including for petroleum and agricultural inputs such as fertilizers and pesticides; and the disruption of development programs due to the curtailment of foreign funding. Indeed, for many developing countries, in place of the hoped-for "peace-dividend" a "war-debt" has accumulated, straining their already frail economies."

The response to this picture in Washington, D.C. has been to propose sweeping powers for the U.N. to decide which nations get food and which are deprived.

The Bush administration is also curtailing U.S. food output. The U.S. Department of Agriculture has decreed that there be a 15% reduction in 1991 wheat acreage (set-aside) for farmers electing to have federal income supports. The USDA has also insisted that farm milk prices remain at the \$10.10 per hundredweight (cwt) floor price, when dairy farmers desperately need more money to survive. The parity, or fair price, to cover costs and give a return on investment, would be \$27 per cwt.

Besides the need for thousands of pounds of dried milk powder for international relief, there are gaping shortages of dairy products for the U.S. national school lunch program, and for the aid to the elderly, women, and infants programs. When Congress voted to increase the farm milk price to over \$13 per cwt, the administration refused to approve it. Instead, the USDA has announced it will pursue its Dairy Export Incentive Program, to give private milk cartel dealers bonuses for selling scarce U.S. dairy commodities to State Department-approved nations abroad.

Farmers in the rest of the Anglo-American sector are also being hit. Over 30% of the Australian wheatgrowers face inability to put in the next wheat crop this June, because of low prices and lack of credit.

# Economic crises in Eastern Europe can ignite new global conflicts

*Professor Perczyński is the director of the Polish Institute of International Affairs. Founded by an act of Parliament in 1947, the institute functions in an advisory capacity to the Foreign Ministry and maintains strong ties to the Polish Academy of Sciences. Professor Perczyński was in Vienna to speak at a symposium on "The Future of Pan-European Institutions and Confidence- and Security-Building Measures" sponsored by the International Institute for Peace. EIR's Mark Burdman and Dean Andromidas interviewed him on March 10.*

**EIR:** How do you see the relationship between approaches to war avoidance and the problem of economic development in your country?

**Perczyński:** The notion of international security, which was usually connected with a notion of a military security premised on maintaining a balance of power, is, I think, becoming more and more obsolete. Some other components of international security are entering the scene, particularly in the field of economics. An example is the security impact of the violation of the ecological structure of the contemporary world. These are real threats which should be tackled, because otherwise they may create some sparks which can ignite conflicts.

I am not afraid that somebody will now attack Poland, or that Poland will attack some other country in Europe and thereby violate the peace. I am afraid that the increasing economic gap between East and West and the lack of progress in the economic field may create situations of conflict. This could cause an internal destabilization of the countries of Central and Eastern Europe, leading to a violent reaction in the population, and a return to the old pattern of quelling social unrest through the use of force. This could mean a return to a dictatorship and such a course of action would mean an end to the unity of Europe. Europe will not accept such dictatorship. This could mean a threat to security, and the possibility of returning to the Cold War, and a Cold War may always turn into a hot one.

**EIR:** What is your view of the effect of the Gulf war on the crisis in Eastern Europe and the Soviet Union?

**Perczyński:** If war starts, whether it is fully justified or not,

it increases the influence of military circles, no doubt. You know the situation in the Soviet Union clearly demonstrates that the only still well-organized force is the military establishment. I was worried, when the Gulf war broke out, that the influence of these military circles would increase and would lead to an attempt to reverse perestroika and halt further democratization of Soviet society. This would create a great danger for Poland and other East European countries.

We have already reached the point of no return. Internally the countries of Eastern and Central Europe are not threatened with reverting to the old regimes, but externally the situation may become more and more complicated if perestroika were reversed in the Soviet Union by an attempt to return to the old regime. I think that the military circles, as well as administrative circles, are rather fed up with the growing disorders in the Soviet Union. We were seriously worried that one could expect some moves backward, and this would all have repercussions in East Europe. There is now a security vacuum in Eastern Europe: We cannot join NATO, and we cannot return to a military association with the Soviet Union. Economically it is the same situation, since joining the Common Market is not a speedy process, and the democratization process of the East has been very harmful for our economy. These developments, I would say, are really threatening the security system.

**EIR:** What is your view of Bush's talk of some kind of "new world order" emerging out of the Gulf war?

**Perczyński:** You see, it all depends on what the content of this new world order will be. Everybody is aware of the fact that some new system of security should be created, and that the old one collapsed. The old one was based on the balance of power and the balance of fear. That one collapsed. Nobody knows what the new system of security will be. There is a lot of talk that the only alternative is to have a cooperative system of security. Such a system would mean some really new order in the economic and political relations among nations. We are very much in favor of this. But it depends on what Mr. Bush is thinking about his new world order. Will it be another Pax Americana, another type of domination of the weak by the stronger partners? One thing is clear: The

old order must be changed. The new one should not be based on the previous notion of dependence. We still hope that the notion of interdependency may enter the vocabulary of the new political and economic structure.

You see the same with Polish-German relations. In the traditional pattern, we should be very much afraid, because our position is not becoming stronger, but weaker, whereas the Germans are growing and becoming more and more prosperous. In the traditional pattern, we should expect colonization, in other words, the normal expansion and introduction of a certain type of dependency relationship. That would be a disaster. This is why we hope that the newly emerging system of cooperative security could be based on this notion of interdependency. Interdependency, so that, what is good for Germany could, at the same time, be good for Poland; not the zero sum game, where if they gain, we lose. We must create a system based on common interest, and this is, I think, possible. Even if it is not feasible, I see no clear alternative, because the repetition of the dependency formula is very conflict-generating, socially and politically.

The Poles are very much afraid that the Germans will come and buy us up. But is it in the interest of Germany to do so? I don't think that solution would be conducive to the Germans. But, of course, for them to come and to participate in the economic recovery and modernization, why not? Sometimes I feel that what we have to fear is not that the Germans are coming, but that they are not coming. They are still afraid of the instability of the situation; they are not very eager to participate in the economic life of Poland.

**EIR:** You have seen some details of the LaRouche proposal for the infrastructure development of Europe, based on a Paris-Berlin-Vienna Productive Triangle. Opposite that you have radical Thatcherism, the so-called "free market" approach, that of Adam Smith. How do you see this policy fight in Polish terms?

**Perczyński:** It is my personal view that the market is a necessary condition for development; without the market you cannot have a possibility to rationalize the economy. The market must be introduced, but it is only a necessary, not a sufficient condition. More than that, I think the free play of market forces cannot solve the development targets and the structural changes required in the economy, and that fine tuning is necessary.

Government intervention is necessary, because being guided only by short-term profits by private enterprise cannot solve the most acute problems of development. As a matter of fact, we know that the market economy in very underdeveloped countries, as well as the market economy in pre-war Poland, did not achieve a lot of progress in the obsolete style of capitalism based on the free market. The modern way of development is to employ some means, some instruments to guide the development, and this is why I am so much in favor of state intervention. This is also extremely important to form

a pattern of international relations. How could we undertake the big projects in infrastructure? How could we undertake the big project of modernizing communications, as well as transport? These are things which I doubt could be solved by the free market alone. High-speed railroads are another example, as well as a proper telecommunications infrastructure that is so conducive to, so necessary, for private enterprise. I think it is impossible only on the grounds of the free play of market forces. The free play of the market means only short-term profits but not the long-term strategic decisions of development.

**EIR:** Do you see the possibility that the leaders of Poland, Czechoslovakia, and Hungary could join together, to form a kind of "infrastructure lobby," to demand some kind of program like the LaRouche "Productive Triangle"?

**Perczyński:** I am sure that the rational way of thinking in this respect will supersede the emotional way, which is not very conducive to development in resolving these problems. Another problem is that of the past. . . . Although logically they have the same problems, and moreover, their economies have the same structure, the past based on the formula of Comecon integration is no doubt pushing them apart. They are looking for more reliable partners and they have started a very irrational race to enter the European Common Market. Psychologically it is understandable, but from the point of view of rationality it is wrong. It is absolutely unconvincing, because if you remember, the attempt to enter the Common Market by Spain and Portugal was based on a common approach. They worked together, although they were very competitive. Unfortunately now we are in a worse situation of increasing competition among Central European countries.

Nonetheless there are the first signs of a more rational approach, and from my point of view that triangle—Warsaw, Budapest, and Prague—will be a very promising one for several reasons: The first is that they have highly complementary economies; the second is that we share the same strategic outlook for joining the mainstream of European civilization; and the third is, with respect to the Soviet Union, that the three countries might have also a common denominator in regulating our relations, which would be much more difficult for each separately. . . .

**EIR:** How do you think the economic crisis of Eastern Europe can be put back on the agenda?

**Perczyński:** It is difficult to say. What must be fully recognized is that the people of Eastern and Central Europe must have a perspective, because they would like to join Europe, and the impression is that Europe doesn't want to have us, and it is a very important psychological factor to eliminate that element. I think we need concrete measures, terms of conditions, and setting a timetable for how we are going to move. If this were to be achieved, many problems could then be solved.

# Argentina sells its currency for dollars

by Peter Rush

The Argentine administration of President Carlos Menem, discredited by two years of worsening economic collapse, failed programs to deal with the crisis, and the worst corruption in Argentine history, unveiled in late March its fourth major "stabilization" plan, which effectively ends Argentine sovereignty over its currency and hitches the nation's financial system to Wall Street and New York. On March 20, Finance Minister Domingo Cavallo announced that effective April 1, Argentina would become one of only a handful of countries in the world which have effectively scrapped their own currencies and replaced them with the U.S. dollar as legal tender. The most notorious of these is Panama, which began its existence as a virtual U.S. colony and has never fully shaken that status, and which has a similar arrangement where the balboa is nothing but the Panamanian name for the U.S. dollar.

The reform announced by Cavallo establishes that the national currency, the austral, will be fully convertible with the dollar, and that the national treasury will maintain on deposit at all times enough dollars to redeem every austral in circulation, should they all be presented for dollar payment at the same time. While it has long been the practice to calculate most prices in U.S. dollars and to daily translate these prices into australs based on that morning's exchange market quotation, the new measure virtually allows dollars to circulate in Argentina alongside the austral.

Cavallo announced that the parity would be 10,000 australs per dollar, but that the government reserved the prerogative of either removing four zeros from the austral, or issuing a new currency altogether, either of which measures would establish a new parity of one to one, which would then, supposedly, be maintained at all times.

Cavallo further announced that under the new regime, no wage increases will be permitted, other than an annual 12% adjustment (to compensate for dollar inflation in international markets). Cavallo pledged that the government would be unable to print new australs unless backed by increased dollar reserves, which, he said, would force the government to live within its means. He announced that yet another effort would be made to collect taxes, which would be the sole means of financing government expenditures, despite the fact that numerous such efforts have failed dismally in the past.

Within hours of the announcement on March 20, prices began rising for a broad range of commodities. As of March 26, dairy products were up 20%, taxi rates up 29%, chicken up 28%, and other commodities were also up sharply. And these price increases occurred after an overall price increase of 77% during the first three weeks of March before the new measures were announced, according to *Ambito Financiero* of March 25. Reacting to the post-March 20 increases, Cavallo lamely said he was sure the prices would come down again as soon as the new measures went into effect, as there was no reason for the increases.

## Strikes to be met with police state

Not addressed by Cavallo was the fact that real wages have already sunk to levels far below those required for subsistence for many workers, and that labor's demands for wage increases are to compensate for past inflation. Commenting on this fact, Victor de Gennaro, secretary general of the Association of State Workers (ASW) told *Clarín* March 25 that the problem facing workers was not getting to the end of the year, when they will receive their 12% increase, but getting to the end of the month. He said that the minimum wage, now down to around \$97 a month, compared to \$1,600 a month for Europe, is too low to live on. Also commenting on the wage freeze, ASW leader in Buenos Aires Carlos Cassineli spoke for most of labor when he called the new program "an outrage."

The wage situation has led to a strike wave that shows no sign of abating. As of March 27, strikes were either under way, or being planned, by workers in many major sectors of the economy, including the metallurgical industries, food processing, banks, commerce, energy, textiles, aeronautics, meat packing, and teachers.

However, Cavallo made clear the government's intent to enforce the new policy, with the Army if necessary. He announced that henceforth, there will be no collective bargaining by public sector workers. Asked on March 25 by *Clarín* what would happen if labor balks, he answered, "They must agree. If there is no agreement, and it comes to conflict, we will decree mandatory arbitration. And if they don't obey, we will declare it illegal to strike," he said.

Reflecting the fear that the Collor administration of Brazil could be the next to follow Argentina's example, a spate of commentaries in the Brazilian press have attacked the Argentine measure as a surrender of sovereignty. Writing in *Estado de São Paulo* on March 22, Flavio Tavares expressed the Brazilian sentiment when he said that as of now, the austral is nothing but "a mere graphic representation of the U.S. currency in the hands of the population," and that, in the absence of a genuine economic program, Cavallo is acting like a witch doctor who believes he has found a magic potion. The same issue of *Estado* editorialized that Argentina "has renounced its sovereignty" as a nation by the measure, and warns Brazil not to follow suit.

# Brazil to pay its debt with public sector giveaway

by Silvia Palacios

In commemoration of his first year in office March 16, Brazilian President Fernando Collor de Mello gave instructions to the Central Bank to pay the country's bank creditors \$352 million, representing a "down payment" on the country's \$8 billion in interest arrears on its foreign debt. Brazil has now agreed to come up with at least 25% of the arrears, a commitment which suspends the de facto moratorium begun a year and a half ago when the most indebted nation in the Third World found itself flat broke, after having paid over \$100 billion to its creditors in the course of a single decade.

In order to follow through on its pledge, the Collor government has decreed a series of measures that obliges already severely looted state companies to catch up their own arrears, at the cost of any further investment in expansion. In a cabinet meeting March 20, President Collor ordered all state companies to make immediate payment of \$147 million to the Central Bank, representing 30% of interest charges on their foreign debts that fell due during the first trimester of 1991. The Central Bank will in turn make another payment to foreign creditor banks. "Brazil cannot negotiate abroad with any authority if its own public sector isn't honoring its debts," said Economics Minister Zelia Cardoso de Mello.

The Economics Ministry had issued a decree last January demanding that all public sector companies bring their payments up to date. According to the *Jornal do Brasil* of March 21, the government has now decided to squeeze the state companies dry by demanding 100% payment, that is, interest and principal, on all cash loans and credit contracted with the World Bank and Inter-American Development Bank since 1982. It was precisely in 1982 that the state sector began to feel the negative impact of foreign debt payments on their investment capability. The most sharply affected has been the electrical sector, which has been forced to halt all vital investments under the burden of a \$23 billion debt.

As part of the plan to supposedly put the public sector on a sound footing, the government announced last month that 50,000 employees—from the most skilled labor force in the country—would be laid off.

This assault on the powerful state sector, a synonym for Brazilian nationalism, has already forced the resignation of

Infrastructure Minister Oziris Silva, who represented the "old guard" of the military-industrial complex, despite his own neo-liberal proclivities. It is that "old guard" which has pushed through construction of all of the country's major infrastructural projects and which now constitutes the primary resistance to the government's monetarist policies, which are accelerating the surrender of the public patrimony through privatization of strategic sectors of the economy, such as energy and communications. Oziris Silva has been replaced by economist Eduardo Teixeira, previously the president of the state oil company Petrobras, a member of the Economics Ministry and known for his pro-privatization convictions.

## Following the Kissinger plan

All of these measures, presented to the public under the name National Reconstruction Plan (PRN), represent the Collor government's decision to yield to Washington's pressures, that is, to George Bush's Enterprise for the Americas Initiative, which demands that concrete steps similar to those undertaken by Mexico and Argentina, be taken toward the dismantling of the public sector and its subsequent looting by the banks.

For example, on March 29 the *Christian Science Monitor* protested that the Collor government's "biggest failure" has been its continued subsidization of the public sector. "The President must press ahead courageously with plans to privatize state-owned industries, consolidate government agencies and reduce the public work force. To achieve these ambitious goals, Collor must gain finesse in forging political alliances."

The same line was published in the *Wall Street Journal* of March 29: "The only solution is to cut the state payroll, start a long-delayed privatization program, reduce import barriers, and avoid repeating the recent \$3 billion bailout of the state banks used to finance the deficit."

It thus becomes clear that these most recent measures by the Collor de Mello government are intended to comply exactly with the scenario first defined by Henry Kissinger seven years ago, when international bankers gathered in Vail, Colorado to consider what kind of mechanisms were required

to oblige Ibero-America to hand over its state companies. They resolved then to force them into bankruptcy, afterwards auctioning them off at bargain-basement prices.

The strategy of launching the PRN as a weapon against the state sector, including ultimately modifications of the National Constitution, was clearly identified by the Brazilian press as a product of Kissinger Associates. On March 21, respected *Jornal do Brasil* journalist Heraclio Salles charged that, "Whoever takes the trouble to get a closer look at the PRN will see that the government is not yet ready to ask Congress to eradicate the monopolies, but rather their deregulation . . . [which is] precisely the Kissinger formula revealed in Brazil by the U.S. magazine *Executive Intelligence Review*. Another indication of the kind of letter of intent [the PRN] has come to signify is that it refers to changing the constitutional concept of the Brazilian company, to open it up to foreign monopolies."

### A year of neo-liberal disaster

The first revelations on the performance of the oncdynamic Brazilian economy following a year of neo-liberal experimentation under the Collor government, demonstrate that the country is experiencing the worst recession of the past two decades. On March 15, the first act of 23 new state governors—including at least seven of the most important states in the country—was to declare a partial or complete debt moratorium, to try to get the dire financial circumstances of their administrations under some kind of control.

The state statistical institute, IBGE, issued the results of Brazil's 1990 economic performance. The Gross National Product fell by 4.6%, considered the worst decline since 1980; the sharpest fall was in the industrial sector, which shrank by 8.6%. The agricultural sector fell by 4.4%, primarily due to the fact that the Economics Ministry's monetarists held back agricultural credit for the harvest.

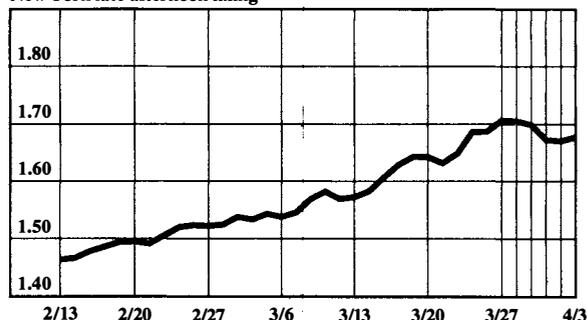
Early data on 1991's performance strip away any remaining illusions about the so-called Collor Plan. In January, the industry in the state of São Paulo—the largest in all of Ibero-America—collapsed by a stunning 20% over the same period in 1990. The decline in Minas Gerais, the second largest industrial state in the country, was 11%.

Even more shocking were the figures published by the Labor Ministry, which measure the real dimension of the recession which is flattening the country. During 1990, there was a nearly 4% fall in total employment, representing the elimination of more than 992,000 jobs. Compare this to the government's own statement last year that 1.5 million jobs needed to be created, to absorb the youth just entering the labor force. Economist Adolfo Furtado, a former Labor Minister, declared that not only did the number of unemployed grow in 1990, but that "informal" labor—that is, workers laboring without any contract guarantees or protection—had grown. In 1989, it was estimated that "informal" workers constituted 72% of Brazil's total work force.

## Currency Rates

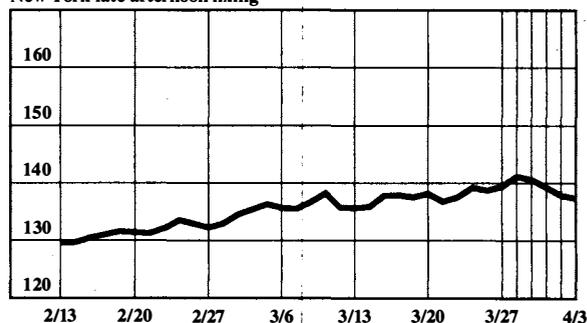
### The dollar in deutschemarks

New York late afternoon fixing



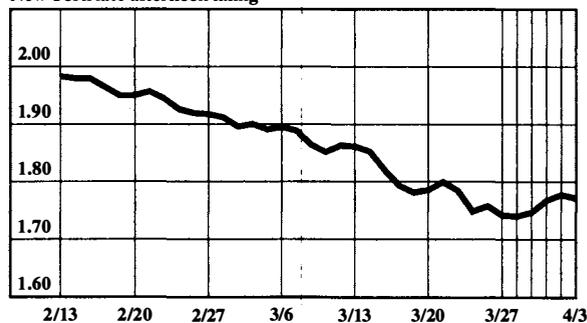
### The dollar in yen

New York late afternoon fixing



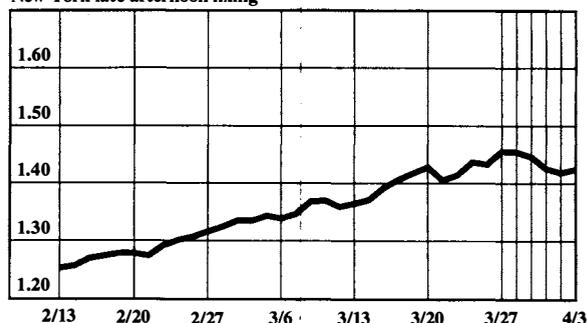
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# 'Main Street' attacks Bush banking reform

by Steve Parsons

Terming the Bush administration's plan for banking reform "a prescription for disaster," the Independent Bankers Association of America (IBAA) has mobilized a broad array of organizations to kill at least what it sees as the worst aspects of the proposed legislation. The grouping has dubbed itself the "Main Street Coalition," and is comprised of 13 diverse organizations, including the Conference of State Bank Supervisors; the National League of Cities and National Conference of State Legislatures; four rural and farm organizations; the American Insurance Association and National Association of Professional Insurance Agents; and associations of engineers, retail druggists, and public accountants.

The IBAA, which represents some 6,000 smaller community banks, has targeted several provisions of the bill: the retention of the "too big to fail" doctrine, where virtually all deposits and assets of larger banks are de facto guaranteed by the government; cuts in deposit insurance; imposition of interstate branch banking; and the elimination of Glass-Steagall prohibitions on combining banking functions with insurance and securities underwriting.

## Blueprint for disaster

Jack W. Dickey, chairman of the IBAA's Agriculture-Rural Affairs Committee, recently castigated the Bush bill as reflecting "a strong Wall Street bias" and for being "a blueprint for the massive consolidation of economic and financial power." He predicted that the measure, if passed by Congress, would drive deposits out of rural banks into the largest institutions, which would be protected under the "too big to fail" doctrine.

According to Dickey, the Bush administration bill would put a cap of \$100,000 on one regular and one retirement account on federal deposit insurance, which would "make second-class citizens of depositors in small towns and rural America." During the farm crisis of the 1980s, he charged, depositors in agricultural banks lost money on uninsured deposits, while in the recent failures of the National Bank of Washington and the Bank of New England, the Federal Deposit Insurance Corp. guaranteed every penny of depositors' accounts—even those over the \$100,000 account limit.

Interstate branch banking could reduce the availability of credit to farmers, ranchers, and small businesses, says Dickey. "The local bank office is often bypassed in favor of corporate headquarters when it comes to making loan

decisions. Clearly, when loan-making authority is taken away from local bank officials, community needs aren't given the same consideration as bottom line corporate earnings."

Bush's proposed elimination of the separation of banking and commerce, Dickey charged, "could do to small banks what corporate farms have done to family farmers. . . . Since political power inevitably follows financial power, enactment of this package would enhance the ability of New York and other big city financial corporations to influence U.S. farm policy. With farm state representation already diminished by congressional reapportionment, the intrusion of non-agricultural corporate interests would clearly be unwelcome."

Although the IBAA's lobbying effort is intense, the Main Street Coalition has thus far offered no alternative. It has written a letter to congressmen, meekly asking them to "look hard at the impact of the bill" on their communities. The IBAA and some members of the coalition have thrown their support behind an alternative banking bill submitted by Senators Robert Dole (R-Kan.), Nancy Kassebaum (R-Kan.), and James Sasser (D-Tenn.), which does not mandate interstate banking nor cut deposit insurance. Purporting to be an attack on the insolvent big banks and "too big to fail" doctrine, Dole's bill calls for slapping deposit insurance premiums on the offshore branch deposits of big banks, and would give the FDIC authority to assess insurance premiums on other bank assets.

The Dole legislation, however, would be used against the very community banks that the IBAA wants to protect. Local banks could be capriciously assessed higher premiums to cover their non-deposit assets. This alone could drive many out of business, since, unlike major banks such as Chase Manhattan or Citibank which recently received an infusion of Saudi capital, they have little political access to substantial capital funds with which to back their assets or the higher premiums.

But far more ominous is a provision in Dole's bill stipulating "early financial intervention" by regulators, allegedly to minimize potential losses to the FDIC and taxpayers. Regulators would be mandated to take "prompt corrective action to curtail investments" by banks "that pose a risk" to FDIC funds. This means that regulators could be ordered into targeted banks that are in no danger of failing, but are deemed political opponents of the Treasury and Bush administration, or obstacles to the ambitions of Wall Street financial operations.

Such banks could be eliminated under the barest legal pretext, as has already occurred with several savings and loans. By contrast, even though most money center banks are hopelessly bankrupt and are admittedly the greatest threat to both the FDIC and taxpayer, only the most meager wrist-slapping actions have been taken so far—and you can be sure that no one in this Congress, and certainly not Bob Dole, is about to hit them hard in the future.

# Technology can beat California's drought

by Pamela Lowry

As the effects of the long drought in the western states of the United States have become more sharply defined, technological progress is once again being looked to as a solution for California's problems. A sudden burst of proposals is demonstrating that not all Californians have forgotten their proud history of technological innovation.

In contrast, last month's driving rainstorms were greeted by the anti-technology faction with despair. Those who see the "solution" to the drought as depriving farmers of water rights and selling water to the highest bidders are afraid that an increased water supply, however slight, endangers their plans. Commenting on the generally welcomed rainstorms, Rep. George Miller moaned, "From the point of view of water policy and planning, it's a disaster. It allows people to avoid the difficult questions."

There are indeed difficult questions, but they involve how to increase the water supply rather than deciding who should go thirsty. The penalty for not modernizing water infrastructure over the past 20 years was demonstrated in the March 27 announcement by the California Agricultural Statistics Service that idled California farm land will total 600,000 acres in 1991. An equally desperate situation exists in California's forests. During 1989-90, the drought killed trees equaling 8.4 billion board feet of lumber, enough to build 500,000 new homes. The remaining trees, many now drier than the boards in lumberyards, are succumbing to disease and insect infestation. In a large swath of the western states, reaching from California and Arizona all the way to western Minnesota, the fire danger is critical. And states will have little help from the military this summer in fighting fires, because most of the personnel and equipment normally called upon are still in the Persian Gulf.

## Take NAWAPA off the shelf

In the face of these looming disasters, Californians are turning to technologies which have long been available, and to studying others which are as yet untried. A group called Citizens for Water and Power in North America, Inc. is proposing to revive the North American Water and Power Alliance (NAWAPA) plan developed by Parsons Engi-

neering in the 1960s. Led by Robert Finch, a former lieutenant governor of California, the group proposes to dam three rivers in Alaska and Canada's Yukon Territory and direct the water through a chain of reservoirs, dams, and trenches into a 500-mile-long reservoir created from a gorge in the Canadian Rockies. The project would take approximately 30 years to build, and would deliver water to 23 U.S. states as well as parts of Canada and Mexico.

Planners say the project would deliver 160 million acre-feet of water per year, and would yield 70,000 megawatts of hydroelectric power. Of this power, 30,000 megawatts, or about 10% of current American consumption, would go to the United States. The power component of the project is significant, because one of California's major problems in providing desalinated seawater is that it does not have the power capacity to process the water at a reasonable price.

Nevertheless, efforts toward providing desalinated water for California are going forward. In addition to the already-authorized plant in Santa Barbara, the four water and power utilities of southern California have joined forces to authorize a \$600,000 six-month study of building a large desalination plant in Tijuana, Mexico. The plant would provide 100 million gallons of drinking water per day, enough for the daily needs of 228,000 U.S. and Mexican households. The facility would also include its own 500 megawatt electrical plant, which would sell electricity to help reduce water costs, while excess heat from the production of the electricity could be used to distill the seawater.

## The under-ocean pipeline

California Rep. Edward Roybal has introduced a bill in Congress calling for the President to authorize a feasibility study of an Alaska-California under-ocean pipeline carrying fresh water. The results of the study are to be reported to Congress no later than Sept. 30, 1991. The idea originated with Alaska's Gov. Walter Hickel, who proposed two parallel lightweight pipelines to be laid on the continental shelf. These would carry fresh water from the mouths of Alaskan rivers to water-starved states of the West and Southwest.

Roybal's legislation proposes an Alaska-California interstate compact, which could be joined by other states, that establishes a public water pipeline authority to plan, finance, build, and operate the North American Water Transfer Engineering Facility. An important provision of the bill emphasizes that the authority would utilize the expertise of federal government laboratories and technology transfer programs, as exemplified by work done by the National Aeronautics and Space Administration. The project is planned "to eliminate permanently, the chronic water shortage crises that have plagued the American Southwest throughout history."

The technological feasibility of the project has not yet been demonstrated, but the language of the bill shows that bold, long-range plans are once again on the agenda in California.

## Counterattack against green lies

*Legislative initiatives would levy financial penalties against those who spread scare stories about food.*

Colorado is the first state to adopt legislation that will give food producers the right to sue those who make "reckless and unfounded claims" about certain foods. The legislation passed the House in February and the Senate in March.

The act, Concerning the Creation of a Cause of Action for the Disparagement of Perishable Agricultural Food Products, was sponsored by Rep. Steve Acquafresca, a Democrat and an apple grower.

The statute would encourage food safety critics to "deal only in the truth" and "to deal with scientific facts instead of emotion," Acquafresca told *The Produce News* Feb. 23. He referenced the Alar controversy as an example of the damage disparaging remarks could have on a product.

Beginning two years ago, a propaganda campaign against Alar, a chemical used to assist the maturation of apples, caused public panic over its safety, and the apple industry nationwide lost up to \$170 million in canceled orders before federal officials publicly confirmed that the alarm over alleged health hazards had been overstated.

Acquafresca emphasizes that because perishable crops have a short shelf-life, unfounded rumors create a "potential for destroying entire agricultural economies."

As of late March, Colorado Gov. Roy Romer had not said whether he would sign the bill, but the initiative is welcome among farmers and food handlers in other states. There are pitched battles over use of agricultural chemicals in Maine, Washington, and

other states.

Punitive, anti-defamation legislation to defend food is under consideration in New Jersey, where the lies of anti-nuclear environmentalists about food irradiation created such a climate of fear that legislators banned the sale of irradiated food products in the state.

One of the main anti-nuclear propaganda groups in New Jersey, "Food and Water," built its organization on scare stories, including leaflets with cartoons of children being poisoned by a food irradiation "witch." Recently, Food and Water was notified by an attorney for the Florida Department of Citrus to "cease and desist" the false use of the department's name in connection with its anti-food irradiation campaign. Food and Water had reported in its newsletter that the Florida Citrus Commission opposed food irradiation and pledged to avoid this process—both of which statements are false.

With an anti-disparagement law on the books, groups like Food and Water might think twice before printing lies, and producers would have some recourse.

Under the proposed Colorado law, those who cast needless doubt on the safety of a product would be subject to a lawsuit for up to three times the cost of lost sales traceable to such disparagement.

Candidates for such suits would be the likes of actress Meryl Streep, who testified to Congress on her fears over Alar and demanded that only "organic" apple juice be served to children.

Within weeks of her Capitol Hill appearance—pre-arranged months in advance by the Rodale Institute-affiliated public relations company in Washington, D.C.—local school districts canceled orders and servings of apples for school lunches. Too many moms who follow whatever Hollywood says believed Streep's unfounded acting job.

The idea for "truth in advertising" laws to apply to the environmentalist lobby has been promoted in recent years by Dr. J. Gordon Edwards, professor of entomology at San Jose State University in California, and a 41-year veteran of work on protecting people, plants, and livestock against pests.

In a 1990 interview, Edwards said, "We are victimized daily by untruthful propaganda and solicitations by organizations whose main business is environmentalism. The Alar hoax by the Natural Resources Defense Council and the Chilean grape fiasco were two recent examples."

In the 1970s, Edwards battled hard to prevent the banning of DDT, whose continued, properly applied use would have wiped out malaria by wiping out the mosquito vectors that transmit the disease. Instead, malaria has taken the lives of millions.

The decision against DDT was made by Environmental Protection Agency director William Ruckelshaus, who admitted at the time that his decision was political and not based on scientific considerations.

"The question of Truth in Environmentalism is not an academic issue but one of life and death for much of the world's population," Edwards stressed. "If untruths are allowed to proliferate, then propaganda about a wide range of issues from pesticides to protecting dolphins may translate into legislation that directly kills human beings."

## Iacocca misses the point

*Chrysler and the other big three automakers are in big trouble, but as usual, they have the reasons wrong.*

With U.S. retail sales of cars and light trucks running at the lowest levels on record, U.S. automakers, led by Chrysler chairman Lee Iacocca, are gearing up a new campaign of blaming the collapse of the U.S. economy on Japan.

This is the same Lee Iacocca who once declined to run for President on the grounds that he had no idea what to do about the economy.

U.S. retail sales of cars and light trucks sank 14.4% to an annual rate of 5.9 million in early March. In February, the annual rate of motor vehicle retail sales had already fallen to 6.1 million, the lowest rate since 1981. Total U.S. car and light truck retail sales for February were 914,457, fully 13.2% below the 1,053,764 of last year. By comparison, there were 13.79 million units sold last year, 14.54 million in 1989, and 15.43 million in 1988.

The reason for the spectacular collapse of the auto market is that the real income of 90% of the U.S. population has declined with the introduction and consolidation of the free market, post-industrial, and radical environmental policies of the past three decades. The real median hourly pay for 93 million workers, for example, has declined from \$8.52 in 1973 to \$7.46 at the end of last year, a collapse of 12.4%.

Less income necessarily means a lower standard of living, translating into fewer new cars, fewer new homes, and so on. But to admit that would not help the life-expectancy of the Bush administration. So, instead, U.S. political and business leaders are loudly blaming the economic misery

now snuffing out Americans' lives and dreams on "unfair" trading practices by, especially, Germany and Japan.

As the automakers tell it, the demon to be exorcised is an increasing Japanese share of the U.S. market. While there is some truth to what the automakers have to say on this point, it completely fails to direct attention to the real problem, which is that the overall U.S. market is now in a process of collapse, for reasons that have nothing to do with supposed consumer confidence.

In point of fact, the Japanese market share was 24% for all of 1990, though reaching a high of 31% in the last quarter of the year, and is now declining, to only 28% in February, as sales of some Japanese cars plummet faster than sales of U.S. cars. For example, in February, Honda's sales fell 21.3%; Nissan's fell 24.6%; and Toyota's fell 11.0%; compared to declines of 17.7%, 13.3%, and 8.6% on the part of General Motors, Ford, and Chrysler, respectively.

Iacocca began the campaign in late February, slyly claiming in a letter printed in the *New York Times* that he "bashes Washington, not Japan," but admitting that he was embracing the idea of increasing protection of the U.S. market from foreign competition.

Then, on March 6, Iacocca sent a letter to President Bush warning that if Japanese automakers are able to increase their market share to 40% this year, from 31% last year, "Chrysler is gone, and Ford could be mortally

wounded from a competitive standpoint," he said.

It was the Treasury Department, not Commerce, that prepared a response to Iacocca's letter. According to the *Wall Street Journal*, Treasury said that the U.S. automakers have historically used restraints against imports to boost profits, rather than increase efficiency, and singled out as a major problem the union contracts signed last fall, which guarantee the incomes of laid-off workers.

All this activity led to a highly unusual meeting of the chairmen of the three U.S. automakers with President Bush. Reportedly, Iacocca, GM's Robert Stempel, and Ford's Harold Poling discussed the threat to their industry from continued high interest rates, legally mandated fuel efficiencies, and Japanese competition. In the days after the meeting, Bush's response was dribbled out to the media: The President is going to continue to rely on the workings of the "free market," and is not going to press the Japanese to lower the number of cars they bring into the United States.

This response to an issue that has been given a very high profile conveniently allows President Bush to plausibly reject suggestions that he is bashing the Japanese, at the very same time that his administration is applying brutally harsh pressure on the Japanese in a number of less-publicized trade issues, such as private telecommunications equipment, rice, and coal.

Iacocca's problem is that Chrysler is hurting more than most. For the first time since the 1980 bailout, Chrysler was forced to put up factories and equity stakes in some subsidiaries as collateral for maintaining its banking lines of credit. But the pain that Iacocca is feeling is due to the collapse of the mismanaged U.S. economy, not the Japanese biting at his heels.

## Brady's 'no-bailout' bailout

*The administration says no bailout of the banks will be necessary, as long as its bailout package passes.*

**T**he Bush administration's aversion to admitting to the public that it plans to stick the taxpayers with the cost of bailing out the bankrupt U.S. banking system, is causing the administration to engage in the kind of verbal contortions of which George Orwell would be proud.

The latest example of this is Treasury Secretary Nicholas Brady's March 26 statement to the *New York Times* that he was "very close to promising" that a taxpayer bailout of the banks would not occur unless the economy performed much worse than expected and "you have a pusillanimous reaction by Congress" to the administration's banking proposal.

Brady's statement is idiocy on several levels. To begin with, the Bush banking proposal is a bailout of the banks. The Bush plan would allow the Federal Deposit Insurance Corp. to borrow up to \$25 billion from the Federal Reserve to bail out sick banks. On top of that, it would allow the FDIC to count its \$5 billion line of credit from the Treasury as if it were equity. Using this accounting gimmick, the FDIC would be able to borrow an additional \$45 billion from the Treasury's Federal Financing Bank (FFB).

Under the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 for the S&Ls, the FDIC already had the authority to borrow up to nine times its net worth from the FFB. That would, as of the beginning of this year, allow the FDIC to borrow an additional \$65 billion. That sum, combined with the existing \$5 billion Treasury line of credit, the \$25 billion from the Fed, and the mag-

ical \$45 billion, would potentially give the FDIC \$140 billion in borrowing authority.

The FDIC insists that the \$70 billion in the Bush proposal is not new money, but merely the same \$70 billion as before. That would be true if the FDIC were already broke, and thus unable to borrow the original \$65 billion.

The FDIC is indeed broke by any rational standard, and may even be broke by the Alice in Wonderland standards of the Bush administration. The FDIC's Bank Insurance Fund started 1991 with \$8.4 billion in reserves—that is, with \$8.4 billion in Treasury IOUs, since the BIF does not exist as a separate fund. But the bailout of the Bank of New England is expected to require some \$6-8 billion in cash up front, with the ultimate cost projected at \$2.3 billion after asset sales.

The FDIC's own "pessimistic" projection is that the BIF will fall to zero this year and to negative \$5.8 billion in 1992. The White House's Office of Management and Budget projects that the BIF will fall to \$22.2 billion in the red by 1996.

So either the \$70 billion is new money, meaning that \$140 billion taxpayer-backed dollars are being pumped into the banks, or the FDIC is already broke and will receive \$70 billion taxpayer-backed dollars. Either way, the administration's proposal amounts to a massive taxpayer bailout of the banks. And either figure is only a downpayment.

The rest of the Bush banking proposal is no better. By cutting back de-

posit insurance, allowing banks to set up unrestricted nationwide branching systems, sell insurance and securities, and merge with industrial corporations, the Bush plan would drive most of the 12,000 U.S. banks out of existence, leaving the system even more dominated by the money center giants than it is now. It would, in effect, give the giant banks almost total control over the allocation of credit in the United States.

Pass this fascist banking bill, with its taxpayer bailout, the imperious Mr. Brady demanded of Congress, or be labeled cowards.

The stupidity of this approach is demonstrated by the failure of FIRREA. The Resolution Trust Corp., created by FIRREA to dispose of the assets of failed S&Ls, has become the nation's largest financial institution. The 18-month-old RTC has become so bogged down in bureaucracy that many refer to it as "Red Tape Central." By year's end the RTC will have already spent over four times the amount of money the administration said would be needed through 1992. To try to unload its \$155 billion in assets, the RTC is cutting prices like mad, offering financing, and selling its own government-backed junk bonds. If that doesn't work, it says, it is prepared to give properties away.

Finally, we come to the case of First City Bancorp. of Texas, the Houston bank that was rescued by Robert Abboud in 1988, with \$970 million in FDIC money. When Abboud took over the bankrupt First City, he promised to not only reinvigorate the bank but to restore Texas to its rightful place as a major financial center. On March 28, Abboud was fired as chairman and chief executive officer at First City, and the rapidly collapsing bank is looking for a buyer or even, the rumors say, another federal bailout.

## IMF plagues descend on Ibero-America

*Even World Health Organization director Nakajima blames the International Monetary Fund.*

As of April 2, the cholera epidemic in Peru had claimed over 107,000 victims, nearly 800 fatalities, and was showing no signs of abating. Rather, it was spreading to several neighboring countries. "Epidemics and plagues of the Middle Ages are invading us," cried the Peruvian daily *Quehacer* in March. "On top of cholera, we have outbreaks of measles, tuberculosis, and malaria. We are experiencing something that the Pharaoh of Egypt, with his seven plagues, would not envy."

However, unlike the Biblical plagues, the epidemics now sweeping Ibero-America have their origin in the genocidal austerity policies that have been imposed on these impoverished nations in the name of that false icon of the international financial community: free trade. World Health Organization general director Hiroshi Nakajima correctly identified the culprit in statements to the Lima press March 27, when he charged that the cholera epidemic was the result of "economic adjustment policies . . . in compliance with the International Monetary Fund and World Bank . . . [which] do not allow investment in sanitation infrastructure projects."

The Peruvian Episcopate has been sharply critical of the Alberto Fujimori government, which has repeatedly turned the austerity screw in the name of "re-inserting Peru into the international financial community." In an open letter to President Fujimori March 24, the Episcopate warned that cholera is a "disease of poverty," and that it must be fought at the more fun-

damental level of the economy as a whole. "Health is a right," said the letter, "but in Peru it is a luxury, a privilege of the few, totally inaccessible to the immense majority of the population." The letter urged a number of emergency measures be taken, including a drastic lowering of the price of kerosene, so people could have access to fuel for boiling water, cooking food, and carrying out elementary hygienic procedures.

Protesting that it had no intention of involving itself in politics, the Episcopate's letter nonetheless noted that "the vast majority of Peruvians do not even receive a minimum wage. Broad sectors of the population have no water or sewage facilities, no garbage collection, and those who do, get it intermittently and inadequately."

Equally serious is the lack of medical care. In the cholera epicenter of Cajamarca department, a Lima television report March 24 claimed that there were already more than 9,000 cases, and nearly 500 deaths. Cajamarca's main hospital, with a mere 150 beds—50 of those without mattresses!—was besieged with 70 new cholera patients daily. One doctor interviewed predicted that by the end of April the death toll would reach 15-16,000 in Cajamarca.

Not surprisingly, the cholera contagion has not respected geographic borders. The poverty endemic to the entire Andean region makes it a perfect host for the deadly bacillus. According to the Pan American Health Organization, Ecuador officially had more than 600 victims of the disease

as of March 28, and more than a score of deaths, despite the government's refusal to acknowledge the epidemic and declare an emergency.

The Colombian government of César Gaviria has proven more realistic, if equally culpable in its submission to the murderous dictates of the international banks. After detecting about one dozen cases March 28, it immediately declared a national emergency, and placed its entire Pacific coast on "red alert." Since then, the number of suspected cases has risen to 100.

The cholera outbreak in Colombia has thus far centered on the port city of Tumaco, near the Ecuadoran border, whose inhabitants have neither water nor sewage facilities and live, in fact, under such primitive conditions that health ministry officials had to travel by canoe or helicopter to visit cholera victims and verify their numbers.

Health Minister Camilo Gonzalez has admitted that "hygiene is fundamental to preventing cholera, and poverty is not usually conducive to good sanitary habits." He has nonetheless imposed a press blackout, and fired one doctor who told the press that he had sent fecal samples of a suspected cholera victim to the National Health Institute for tests.

One health official told *EIR* that "Colombia is defenseless against cholera," and said that "gastroenteritis and acute diarrheal conditions are . . . the leading cause of death in the population as a whole. The water itself is sick." Less than half the Colombian population has access to potable water. In 1988, the health ministry's municipal development institute (Insfofal), charged with the construction of aqueducts in rural Colombia, was liquidated for budgetary reasons. In 1989, there were more than 1,600 cases of enteritis and acute diarrhea for every 10,000 Colombians.

## Oil not for local consumption

*"Protecting the ecology" has become the latest lie justifying killing Mexicans to make debt payments.*

On the 53rd anniversary of the Mexican nationalization of its petroleum industry on March 18, President Carlos Salinas de Gortari announced with great fanfare the permanent closure of Mexico City's largest oil refinery, as a step to ease the city's horrid air pollution. The refinery, named the "18 of March" in honor of the nationalization, produced 50% of the city's gasoline needs and 80% of its diesel. "Let's plant trees where today there is nothing but pipelines," Salinas exclaimed.

What a fraud! The refinery was closed, not to better the environment, but to cut domestic consumption of oil products, in order to generate "surplus" crude stocks for export—without having to invest in costly increases in exploration and production.

This was stated frankly by Petroleos Mexicanos (Pemex) director Francisco Rojas one day after the "radical ecological measure" was announced. "The 100,000 barrels a day which were refined in the '18 of March' plant will help maintain the current export platform fixed at 1.3 million barrels a day," he stated.

According to Rojas, the income earned from the additional crude exported—generated by cutting internal consumption—will finance the importation of 20,000 more barrels of gasoline, and 10,000 additional barrels of fuel oil, per day. The Pemex chief added that at some future unspecified time and place, the increased exports could also finance the building of a new refinery to replace the one shut down in favor of a park.

So much for President Salinas's

promises to relocate the refinery's nearly 5,000 workers in new jobs. Between one day and the next, the workers and their families, who had lived in company housing flanking the refinery, have been put out on the streets. An entire secondary economy that had served the refinery community has also disappeared.

The result? Mexico City may eventually experience some 2% less pollution—but will definitely have about 20,000 more starving homeless.

The closure is the latest in a series of measures taken in the past eight years, aimed at reducing domestic consumption in order to export the resulting "surplus." Not only has that policy generated more money to pay the debt, but at the same time Mexico "helps" the United States reduce its trade deficit.

The Mexican government has no margin to substitute for the production lost in the closing of the "18 of March" refinery, by expanding some other part of Pemex's refining system, because that system is already operating at close to 100% capacity, due to the ravages of a decade of disinvestment.

The recent accident in the Pajaritos petrochemical complex demonstrated the damages caused by this policy. Over-exploitation and lack of maintenance of the installations caused the accident (although unofficial reports hint that the explosion could have been an act of sabotage aimed at Pemex's incipient petrochemical production).

According to the 1990 Pemex "Annual Operating Report," petroleum products were imported at the

rate of 130,500 barrels per day—almost 5 million barrels total for the year. Purchases abroad of gasoline and fuel oil made up some 80% of the total import \$850 million import bill for petroleum products. And while the commercial balance on this account was in deficit, the dollar value of imports of petrochemical products also rose by 322.8%.

What country or foreign businesses will benefit from the "ecological" measures of the Mexican government?

First, there was the "one day without a car" program, where a portion of the city's cars were ordered out of use each day, a wildly inefficient way to reduce pollution which only succeeded in imposing huge economic losses upon the residents of the city. Then, the government attempted their "one day without streets" program, closing the historical center of Mexico City to powered vehicles. That lasted only one day, and had to be suspended after the resulting gridlock dislocated the functioning of nearly the entire city.

Now, some states, such as Chiapas and Quintana Roo, have attempted to impose a new program, "a life without children," in which abortion is legalized to provide a "legal" cover for the intended mass sterilization of women.

"Let there be trees, where before there were human beings!" appears to be the motto of the Salinas government and those idiots who applauded the shutting down of Mexico City's refinery.

Such treason was underscored by the fact that the government chose the anniversary of the nationalization of Mexico's oil industry as the date to begin its dismantling of Petroleos Mexicanos, closing the refinery on the very day on which the historic act by Gen. Lazaro Cárdenas del Río occurred.

# Business Briefs

## Health Care

### National nursing shortage continues

Despite a nationwide nursing shortage, the depression has made it difficult for nursing schools to increase their enrollment, reported the March 22 *Richmond Times-Dispatch*.

Nationwide, hospitals reported a 9% "vacancy rate" among their nursing staff last year, and although the American Nurses Association has committed itself to increasing the number of nurses available, nursing schools say that they are unable to expand their enrollment, largely due to economic conditions. Most nursing schools do not have the funds to hire more staff, which means that thousands of applicants have had to be turned away.

Salary levels for teachers of nursing are also low. "We're going to have to lobby with state governments to make sure there's money for nursing education," said Dr. Lucille Joel, president of the American Nurses Association.

## Development

### 'Post-industrial society? No thanks'

The above is the headline of an article in the most recent issue of the Catholic magazine *Studi Cattolici*, published in Milan, Italy. The article blasts the "ecological" ideas spread by the Trilateral Commission, the Club of Rome, the Carter administration, and those contained in the Clean Air Act pushed by President Bush.

"The basic problem is this: Is economics a field where few people exert power over the rest of society, or is it the necessary instrument for the survival of the human species? If the first alternative is true, then the Anglo-American policy of the past 20 years is correct. But let us see how it works: When the productive capacities sink under a paper circulation in the form of a debt of unprecedented dimensions . . . the military machine is set into motion to control directly what is still today the most

precious raw material, oil, and possibly to use this control in order to get profits with which to attempt to pay off the enormous debt. It is anyway . . . an imperialistic policy.

"If the second alternative is true, then the 'free market' must be regulated so as to allow and favor the development and implementation of technology, so as to overcome the 'ecological' or 'financial' crisis through development. . . . If development has to continue, there must be a continued increase in the productivity of the system, and this increase must not be a consequence of an increase in the exploitation of a given technology, but a consequence of going over to higher technologies. This implies that the cultural standard of society must improve, as its internal harmony must increase."

## Living Standards

### Half of urbanites below poverty level

Nearly half the U.S. urban population lives below the poverty level, according to a National League of Cities report released in mid-March. The report documents the abysmal standard of living in America's central cities. By 1989, over 43% of the urban population was living below the poverty level. Three-fourths of the nation lives in metropolitan areas of at least 100,000 people.

Per capita income had already fallen below \$10,000 by 1987 in the cities of Newark, El Paso, Cleveland, Baltimore, Detroit, Buffalo, St. Louis, Dayton, Birmingham, Miami, New Orleans, Louisville, and San Bernardino—and was just barely above that level in Chicago, Philadelphia, Milwaukee, Memphis, Toledo, Tucson, Fresno, Columbus, Norfolk, and Pittsburgh. Newark's figure was only \$7,622.

Among the cities surveyed, official unemployment rates in 1988 had already topped 12% in Baltimore, Chicago, St. Louis, and San Antonio, while Detroit's was over 17%. Actual unemployment levels were far higher, and have risen even more

under the Bush administration. The U.S. Conference of Mayors has also reported that requests for emergency food assistance increased by an average of 22% during 1990, according to a survey of 30 major cities, and 75% of those seeking assistance were members of families.

According to a study by the Food Research and Action Center, a non-profit anti-hunger group, at least one out of every eight children in the U.S. under the age of 12 is going hungry. This amounts to 5.5 million children, and is probably a very conservative figure, since the Census Bureau itself classifies 9.4 million children as "poor." The typical hungry family experienced "food shortages"—that is, they missed meals—on average seven days a month, or about 25% of the time.

## Germany

### Industrialist endorses maglev train project

The chairman of the biggest rail firm in eastern Germany has endorsed the Berlin-Frankfurt magnetic levitation (maglev) train project proposed by the state government of Thuringia. Günter Gross of Deutsche Waggonbau AG, a group of five firms that specialize in the production of locomotives and other rolling stock, said at the Leipzig Industrial Fair on March 19 that such a modern railway technology project would have an important function for the entire transportation sector in eastern Germany.

German Transportation Minister Günter Krause also signaled interest in a maglev project in a statement on infrastructure projects in eastern Germany.

Meanwhile, a group of "alternative economists" urged a DM 550 billion state investment program for eastern Germany in a memorandum presented to the press in Bonn on March 29.

The group of predominantly left-wing Social Democratic economists from all over Germany welcomed the most recent adjustments in the government's strategy for the economic reconstruction of eastern Germany, but rec-

commended a much stronger emphasis on state-funded job creation.

Road and railway projects, construction of new homes, restoration of run-down social housing projects, telecommunications, and soil conservation programs were proposed by the group, which called for a period of five years of concentrated investments.

## Technology

### Government blamed for lack of progress

A revival of manufacturing is essential for science and technology, scientists argue, according to columnist Leonard Silk in the March 22 *New York Times*. Some scientists attending a conference sponsored by the Carnegie Institute recognize that current U.S. economic policy is largely to blame for the fact that the nation is falling behind in industrial development.

Despite progress in many scientific areas, Silk reports, at the conference James S. Langer of the University of California stated, "The cost of introducing new technologies in this country is enormous; capital is expensive; licensing can be risky and time-consuming, and if the product is really novel, the materials manufacturer is exposed to a variety of legal hazards."

Silk recaps the initiative made by President Roosevelt in 1944, instructing Vanevar Bush, in whose honor the Carnegie conference was held, to determine how contributions to science and technology could be fostered, to stimulate the economy.

## Health

### Vaccinations drop, disease on the increase

Vaccinations of infants and children in the United States has fallen so much that measles outbreaks are becoming commonplace, and other diseases like rubella and whooping

cough (pertussis) are resurfacing, reports the March 24 *Washington Post*. Although exact statistics for the U.S. are not available, because the Reagan administration abolished the monitoring of preschool immunization rates, data assembled by the Centers for Disease Control in Atlanta, Georgia and other sources rank the U.S. immunization rate as the worst of any nation in the Western Hemisphere except Bolivia and Haiti.

According to the CDC, only 70% of one-year-olds are immunized, while only about half of two-year-olds in U.S. inner-cities are vaccinated. Last year, 47% of measles cases occurred in children under five. As of the report, there were 19 measles outbreaks in progress in the U.S.

The Bush administration's plan for dealing with the lack of immunization "would be to withhold federal food, medical, and welfare benefits" for people "until immunization requirements were met"! But nowhere addressed is the problem of the enormous number of clinics shut down in urban areas, nor that the cost of vaccinating a child in a public clinic has gone from \$6.69 in 1982, to \$91.20 today, a thirteenfold increase, nor that often what few clinics do exist require physical exams and impose other requirements that poor families just can't afford.

## Education

### Thousands of teachers being laid off

Thousands of U.S. teachers are receiving lay-off notices this spring, as state budgets slash funds for education, AP reported March 28. "From the numbers we've been seeing, conservatively, we're looking at 13 or 14 states where we expect to see teacher reductions of up to 5%," said Jewell Gould, director of research for the American Federation of Teachers.

In California, about 10,000 teachers received RIFs—reduction in force notices. In New York State, 8,000 will be laid off unless a change is made in the budget by April 1. Last year in Massachusetts, 2,000 lost their jobs; this year is expected to be much worse.

● **AIDS ORPHANS** under the age of 12 in Uganda number some 85,000, according to the government. Other sources, however, say that 1 to 1.5 million children are without parents because of AIDS.

● **CRUDE STEEL** world output fell by 3.1% in February compared to one year ago, the International Iron and Steel Institute reported March 22. U.S. steel production fell 19.2% in February. In Germany, it was up by 1.7%, while Japanese output was up almost 7% over a year earlier.

● **CONTINENTAL** Airlines holdings posted a stunning fourth quarter loss of \$2.25 billion, the largest quarterly loss in air transportation history. Most of the loss resulted from accounting entries reflecting the final demise of Eastern Airlines. However, the loss was far greater than analysts had expected, and was even more than the \$2 billion all airlines lost during all of 1990.

● **BRONFMAN** family corporate fronts may be downgraded by the major credit rating agency in Canada, the March 22 *Wall Street Journal* reported. Dominion Bond Rating Service issued a rating alert on Brascan Ltd., Hees International Bancorp Inc., and Great Lakes Group Inc.—all major holding companies for the Bronfman family. Dominion also placed on its alert list the largest natural resources company in Canada, Noranda Inc., which is owned by Brascan and Great Lakes Group.

● **TUBERCULOSIS** cases undiagnosed in Texas jails are contributing to significant increases of TB in the state, say experts. The number of active TB cases in Texas increased 17% between 1989 and 1990. John Bybee, head of the tuberculosis division of the Texas Department of Health, told the *Houston Chronicle* he expects to see a similar increase this year.

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## Manned space flight at 30: What does the future hold?

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*April 12 marks the thirtieth anniversary of the first manned space flight and the tenth anniversary of the first Space Shuttle mission. A perspective by Marsha Freeman.*

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On April 12, 1961, Soviet Major Yuri Gagarin blasted off atop an intercontinental ballistic missile, strapped into his Vostok spacecraft, to become the first human being to venture into space.

Three weeks later, on May 5, 1961, U.S. Navy Cmdr. Alan Shepard spent approximately 15 minutes in his Freedom 7 Mercury capsule on a suborbital flight, which took the first American into space. Twenty days later, President John F. Kennedy announced that, before the end of the 1960s, the United States would land a man on the Moon, and return him safely to the Earth.

Exactly 20 years after Yuri Gagarin's first flight, U.S. astronauts John Young and Robert Crippen made a 54-hour trip in the Space Shuttle orbiter Columbia, ushering in the era of reusable spacecraft capabilities. The maiden flight of the Space Transportation System was the first new launch system whose first flight-test was manned.

The 30 years from 1961-91 of the manned space age have seen over 100 people spend days, months, and even a year, in space. People have learned how to live, explore, experiment, and occasionally relax in this strange environment. We have retrieved pieces of our nearest neighbor, the Moon; observed the universe, from spacecraft circling the Earth, with a view unattainable from the surface; and begun to learn how our bodies, which have always lived in the one-gravity environment of Earth, change in space.

The first 30 years of man in space have been a prelude to the real purpose of the venture—to move human civilization

to other worlds. These will be worlds which man must create, as there is nowhere in the Solar System which can accommodate human life without the most advanced technology and thoughtful planning.

In 1958, the House Select Committee on Astronautics and Space Exploration directed its staff to ask some of the nation's leaders in science, engineering, industry, government, and the military what they thought was possible in the following decade. The result of this effort was a volume titled, *The Next Ten Years in Space, 1959-1969*, which we excerpt below. The report was in such great demand, that 10,000 copies were authorized to be printed.

In its report to the Select Committee, headed by Speaker of the House Sam Rayburn, the staff stated, "This report is one of the most fascinating studies ever prepared for the Congress. It is not the fanciful creation of this staff, but rather a summary of the thinking of the leading scientists, engineers, industrialists, military officials, and government administrators concerned with our national space program. These are men whose training and responsibility have made them careful, sober, and accurate in what they say. The sum total of their assessment of the next 10 years adds up to an astonishing technological preview of the world of tomorrow.

"One word of caution is required," the staff report continued. "All the plans, programs, and projections these qualified men present will count for little unless the United States decides to meet this challenge with the mobilization of its private industry as well as public facilities, its resources,

manpower, matériel, and money, which the national space effort requires.”

### **The results of the first decade**

What had the manned space programs actually accomplished, by 1969?

The United States had spent the decade of the 1960s mobilizing its scientific, engineering, productive, and imaginative resources and had landed two men on the Moon. The Russians had tried, but failed to develop and successfully test a booster rocket capable of taking cosmonauts to the Moon. Though they denied that they had ever been in the race, as the U.S. got closer and closer to the lunar landing, American experts on the Soviet space program always maintained the Russians *had* indeed tried, but had not been able to accomplish the task.

More recently, over the first few years of glasnost, there has been the most extraordinary opening up of significant aspects of the Soviet space program to the Western press. Reporters have taken tours of the launch facilities, the cosmonaut training center; they have even been shown the lunar landing module which the Russians had denied existed, designed and built for the race to the Moon. American astronauts have been invited to and attended Soviet space launches.

### **Program for a permanent space presence**

In 1969, the United States stood poised on the edge of the next major milestones in the manned space program. Technology to transport astronauts to the Moon and keep them alive, and productively working while there, had been designed, built, and tested, and for the most part, had worked. Men had also worked in orbit, from where they were able to perform biological and materials experiments, remotely sense and photograph the Earth, and observe the heavens. It was clear that, although there were physiological effects from prolonged weightlessness, man could more than likely adapt to this new environment and move his science, culture, and civilization into space.

Even before the first lunar landing, President Nixon had appointed a space task force to come up with suggestions for the next decades of the space program. Headed by Vice President Spiro Agnew (who reportedly said as the Apollo astronauts blasted off for the Moon, “Now, on to Mars!”), and including NASA Administrator Tom Paine, the group proposed a multilayered effort to build the infrastructure for a permanent presence in space. This was designed to consolidate the gains made in the Apollo crash program, and included long-term facilities to stay in space, such as an Earth-orbital space station, and a reusable shuttle to regularly take men and material to and from orbit.

But there was no thought of shrinking back from the next frontier. According to the task force, and supporting thinkers such as Wernher von Braun, the next step was a manned

landing on Mars, and their estimate was that this could be achieved in 1980. This would require a major breakthrough in propulsion technology, since a trip to Mars using that day’s chemical rockets would take close to a year, which was unnecessary, and also unacceptable due to the dangers of radiation.

Work on nuclear fission propulsion, as “predicted” in the above quotes, was well under way by 1969. All of the second-generation nuclear technologies which should have been applied for commercial application in the electric utility industry back home had already been designed, such as liquid metal reactors, and high-temperature gas-cooled reactors.

The Nixon economic and budget crises sliced the NASA programs to the bone. The manned Mars mission was canceled, along with the nuclear propulsion program. The space station was put on hold, and the President gave the go-ahead only for the Space Shuttle. That program suffered through continuous underfunding, and compromises in engineering and other areas were made to finally complete it.

### **Today’s narrowed perspective**

The U. S. space program has been marking time since the first Shuttle flight.

Space Station Freedom, which was supposed to be operational by 1994, is now planned to be continuously manned near the year 2000. Instead of a crew of eight, only four astronauts will be on board. The electric power, for the station itself and its scientific experiments, has been cut from 75 kilowatts to 56. The rate that scientific data can be transmitted to Earth has been cut from 300 million bits per second to 50 million. The size of the U.S. habitation and laboratory modules has been cut. The Space Station is needed for solving the physiological and medical problems people develop living in less than Earth gravity. The Space Station could act as a platform for scientific observation, toward the Earth and away from it, as well as a service station for free-flying space observatories, like the Hubble Space Telescope. Ultimately it would serve as the transportation hub on the way to the Moon, and to Mars.

President Bush’s Space Exploration Initiative—to return to the Moon and then finally accomplish the manned mission to Mars—is proving to be unserious window dressing.

For the past 30 years, each time there has been a study of the long-range goals of the space program, the recommendations have always been the same: develop the infrastructure in transportation systems and waystations for the permanent development of scientific and economic activity; establish colonies on our frontiers—i.e., the Moon, and then go on to make Mars habitable for human life. Scientists such as Krafft Ehrlicke and Wernher von Braun occasionally became impatient with the seeming inability of men and their elected governments to carry out these long-range goals. Were they here today, they would certainly agree: The task now is to get on with it.

## 'The next ten years in space: 1959-1969'

*What follows are excerpts from the contributions to the 1958 House Select Committee on Astronautics report.*

### **Krafft A. Ehricke**

*Assistant to the Chief Engineer, Convair, San Diego, California.*

During the year 1958, the government has become increasingly aware of the necessity to actively and consistently sponsor a national space-development program. The prime motivation for authorizing the considerable financial effort involved, derives from the concern for Congress for the economic welfare and military strength of the nation. Leadership in science and technology and in the exploration of our micro and macrocosmic environment is one of the prerequisites for assuring this condition and therewith also for gaining the right and the ability to shape a better world for all mankind. . . .

. . . The plateaus of achievement which can realistically be expected must be consistent with the vehicular capabilities estimated to be available during the next 10 years. These are, briefly: ICBM booster rockets; upper stages with advanced chemical propulsion systems; large boosters with 1.5 to 3 million pounds of thrust; upper stages with nuclear heat exchanger power plants.

On the basis of this vehicular capability, space technology may be expected to reach the following plateaus of achievement during the coming decade. . . .

#### **Lunar space. . . .**

(3c) First manned lunar landings.

This may be a marginal goal for the period 1959-69.

#### **Interplanetary and planetary space. . . .**

(4b) Planetary probes . . . during the next 10 years there exist only a maximum of five opportunities to launch a Mars probe and seven occasions for a Venus probe. . . .

With the advent of a 1.5 million pound booster vehicle it will become possible to transmit a probe to the planet Jupiter. The opportunity for this arises once almost every year. The transfer time would be in excess of one year. A Jupiter probe would be of considerable scientific interest,

but is a difficult project which may not be practical until the end of the sixties. . . .

Advanced astronautic concepts, such as the manned lunar base and manned flights to other planets must await the harnessing of nuclear power for spacecraft propulsion. The two most attractive and realistic concepts using nuclear energy are at present the nuclear heat exchanger rocket and the nuclear energized ion rocket. Of these two, the former is more universally usable, since it is capable of a sufficiently strong acceleration (0.2-0.02 g) to establish fast cislunar transfer and lunar landing as well as takeoff. . . .

Propulsion research and development will concentrate on nuclear drives, ion drive, and other potentially promising methods of propulsion. It appears reasonable to assume that a nuclear heat exchanger drive will have been perfected and flight tested in cislunar space by the end of the next 10 years. Ion-propulsion research can be expected to be in an advanced state.

By the end of the next 10 years we can thus expect the following state of development in astronautics. . . .

1. Communication and television relay satellites at very great altitudes, probably as high as 22,000 miles (24-hour orbit) in equatorial and inclined orbits.

2. Global weather monitoring on a routine basis from optical satellites circling the globe in polar or highly inclined

## 'A prize beyond price'

*In 1986, Lyndon LaRouche was the only presidential candidate to elaborate a program for the next half-century of space exploration, aiming toward a fully manned colony on Mars. We excerpt here a small portion of his program, which appeared in the November-December 1986 issue of Fusion magazine, entitled, "The Science and Technology Needed to Colonize Mars."*

At present, broadly speaking, Americans lack those psychological potentials for space exploration which existed during the 1960s and earlier. Through the influence of those irrationalists, such as the "ecologists" and the counterculture generally, many of our citizens have lost connection with the principles of moral character and science-like intellectual development traditional to the Augustinian heritage. We, as a nation, are presently in the process of being self-destructed by the growing influence of the "ecologists" and the radical counterculture. Over the re-

orbits some 4,000 to 8,000 miles high.

3. Radio-navigation satellites some 1,000 miles high, serving the ships on seas in equatorial and inclined orbits.

4. One or more relatively small manned space stations some 300 miles high in the equator plane for orbital flight training, life support systems development and man-conducted research in space.

5. All or many of these satellites and space stations will be equipped with nuclear auxiliary power supply systems.

6. Satellites of the Moon will have been established and landings with instrumented probes on the Moon will have been accomplished. Probably, the first landings by man will have been achieved.

7. Man will have circumnavigated the Moon using vehicles launched directly from the Earth's surface without orbital assembly or fueling.

8. Interplanetary probes will have covered the entire inner solar system from inside the orbit of Mercury to the asteroid belt beyond Mars. Encounter probes will have been sent to Venus and Mars and instrumented satellites of these planets will have been established. Probes may have been sent out as far as to the planet Jupiter.

9. All of these projects will have been carried out essentially on the basis of chemical rockets, such as the ICBM boosters with advanced chemical upper stages and the 1.5

million pound thrust booster with chemical upper stages. However, at the end of this decade nuclear powered upper stages, boosted beyond the atmosphere by chemical first stages, will be available.

10. Research in auxiliary power systems, energy conversion, materials, and electrical propulsion systems will have made great strides.

11. Close international cooperation in the scientific and practical usage of satellites, as well as in monitoring and tracking of space vehicles and in control of transmission frequencies, will have been established. At least one new launching complex for space vehicles will have been built, located in the mid-Pacific on or near the Equator.

12. Man will have sufficient information to decide for or against a permanent lunar base and will begin to look to the planets.

### **Maj. Gen. J.B. Medaris**

*Commanding General, U.S. Army Ordnance Missile Command, Redstone Arsenal, Huntsville, Alabama.*

The coming decade will undoubtedly be chronicled by history as the birth of the Age of Space, for the decade is certain to be marked by phenomenal technological achievements; however, any attempt to second guess the extent of these achievements must be tempered by the realization that

cent 20 years, we have undergone a "cultural paradigm shift," away from Augustinian tradition, toward a philosophical outlook akin to that of the Russians.

This recent difficulty is not, however, an argument against space exploration. Precisely the opposite; the psychological demands placed upon our society by bold ventures into space, are precisely the stimulant best recommended to bring us back to ourselves, our moral heritage.

There are many practical things which must be done, urgently, to save our nation. These are the indispensable, which we shall lack the resolution to accomplish, unless our decision-making once again embraces the essential.

Space is there. It is a challenge within man's grasp. It is a challenge which bears upon the improvement of life on Earth. We must respond to that challenge with goodness.

What is the desire of the good person? What else but to discover the laws of creation less imperfectly, to the end that our knowledge, as guide to our practice, deviates less from the will of the Creator expressed in the lawful ordering of this universe. Who can be good, who does not yearn for agreement with the Creator, and, on that account, to lessen the imperfection of one's own understanding of the lawful ordering of creation?

What could be a more beautiful event in the existence of mortal mankind than to step up from the mud of our planet, into space, to accept whatever challenge we discover to be awaiting us there? To think of such a task as imminently before us, is to experience an awesome sense of beauty within us.

On this planet, especially during the recent 20 years, increasing portions of the populations of even Western Europe and the Americas are afflicted with cultural despair.

"There is no future," say the doomsaying "ecologists." Believing the "ecologist" propaganda, the young person seeks momentary escape in the here and now: Drug usage proliferates, destroying growing ratios of our youth, on this account. That same stink of irrationalism and cultural pessimism, which spawned the Nazi upsurge in Weimar Germany, spreads among our nations, spoiling the very will of our nations to survive.

We must turn the mind's eye of the young upward, to the heavens, while we point: "There lies the future of mankind."

In that respect, the conquest of space is a prize beyond price.

there is almost always an unfortunate gap between that which is possible and that which is probable. . . .

The House Select Committee on Astronautics and Space Exploration recently invited the comments of various members of the Army Ordnance Missile Command on the . . . space program. . . .

There was not a dissenting comment on the possibility of accomplishing this program within this time frame. In fact, AOMC presented its recommendations to the committee on how this program could be most efficiently realized. In each comment, however, there was a warning note: having decided what is possible we must take a look at those conditions in our national space effort which breach the possible and the probable.

I would list the following:

1. We must establish a long-range, national program which takes advantage of all available resources, military and civilian.

2. We must then fund that program on a long-range sustained basis so that our technology does not suffer a hand-to-mouth, fits-and-starts existence from one fiscal year to the next.

3. We must empower our program managers with the legal capability of making decisions when they are needed.

4. We must spend more money for applied research. . . .

How close we come to the mark which history has set for us—how closely the probable approaches the possible—depends primarily on the quality and quantity of money, men, and material which we are willing to expend toward this end. Given the resources, we know how to accomplish the necessary economy of action, and here I would defer to Plutarch's definition of economy, which, he said, is but money-making in things inanimate—but when exercised over men becomes policy.

### **Dr. Wernher von Braun**

*Director, Development Operations Division, Army Ballistic Missile Agency, Redstone Arsenal, Huntsville, Alabama.*

- (a) Will man reach the Moon? the planets?
- (b) Will weather forecasting become an exact science?
- (c) What types of propulsion will be developed?

In the following I have endeavored to come up with a comprehensive answer which should cover the above subjects.

It is my opinion that manned flight around the Moon is possible within the next 8 to 10 years, and a 2-way flight to the Moon, including landing, a few years thereafter. The launching of manned, Earth-orbital vehicles will have to precede such efforts and can be expected within the next 3 to 4 years. It seems unlikely that either Soviet or United States technology will be far enough advanced in the next 10 years to permit man's reaching the planets, although instrumented probes to the nearer planets (Mars or Venus) are a certainty.

At an altitude of some 22,000 miles, 3 communications

satellites spaced 120 degrees apart in the same equatorial 24-hour orbit, will provide a global telephone, telegraph, television, radio and facsimile transmission system of sufficient traffic handling capacity to serve the entire earth. Revenues from this worldwide service should be used for the financial support of future deep-space exploration projects.

Meteorological satellites, equipped with television cameras and circling at altitudes of only several hundred miles through near-polar orbits, will provide uninterrupted information on the cloud coverage on every point on Earth. Such information will not only enhance our understanding of the total solar energy absorbed by the Earth (and not reflected by the clouds), but it will also furnish immediate information on impending weather changes, hurricane dangers, and the like. It can be expected that the yearly savings incurred to agriculture and the tourist industry by improved weather forecasting will run into the hundreds of millions.

Rocket vehicles, of course, will be the key to accomplishment in the space age. If we are to expand our capability in space exploration, we must initiate a national integrated missile and space vehicle program which utilizes all existing development teams and facilities. Such a program would permit the development of five generations of space vehicle families within the next 10 years. The first generation, which is now in existence, utilizes short-range ballistic missiles such as Redstone for the boosters and has demonstrated an orbital payload capability of up to 33 pounds. The second and third generations would utilize IRBM and ICBM missiles as boosters, with payload capabilities increasing to 3,000 and 10,000 pounds, respectively. Fourth and fifth generation space vehicles require the development of boosters between 1 and several million pounds of thrust, and will have payload capabilities on the order of 25,000 to 100,000 pounds.

Other requirements for an integrated national space program would be the development of space navigation and guidance systems, crew engineering equipment and techniques, new and improved test and launching facilities, and new and improved satellite and space-vehicle payload compartments to accomplish astronomical research missions based on the idea of look-see.

The extent of United States achievements in the space age's next decade will depend on such a well laid-out national program. The Soviet Union with its traditional 5-year-plans obviously has such a long-range space program in operation. It is utterly essential that we now commit resources likewise to a long-range, integrated national program and sustain that program even if public interest in it temporarily abates. For if public opinion again becomes lethargic, it will, of course, be reawakened by Soviet accomplishments. But the resultant stop-and-go method would be neither economical nor successful.

I hope you will not think I am begging the question of *where* we are going by answering with another question: *How much* are we willing to pay?

# Denmark is bridging the Baltic

*Poul Rasmussen reports on a great project to link Scandinavia up with Europe—and how it could fit into LaRouche's "Productive Triangle."*

When tourists visit the medieval Kronborg Castle in Elsinore, the home of William Shakespeare's tragic hero Prince Hamlet, they often stroll along the eastern walls of the castle looking across the narrow Sound separating Denmark and Sweden. From here they have a perfect view overlooking the heavy shipping traffic passing on their way to and from the countries surrounding the Baltic Sea. They can also follow the fleet of small ferry boats going perpendicular to the main shipping lanes, weaving their way between the giant freighters to bring cars, trucks, and trains to and from Sweden. Many have wondered why a bridge was never built. Now, there will be a bridge, but not at Kronborg Castle.

A major contribution to the kind of modernization of European infrastructure, which Lyndon LaRouche has proposed in his program for a Productive Triangle encompassed by a high-speed freight and passenger rail route between Paris, Berlin, and Vienna is now under way in Scandinavia. On March 6, the Danish government got the backing of the majority of the Danish Parliament, to enter into an agreement with Sweden which will begin the first phase of constructing a bridge between the two countries. Thus, before the year 2000, a set of bridges and tunnels will link the Scandinavian peninsula to the European continent. Also, a new major urban center will appear, when the Danish capital of Copenhagen merges with the southern Swedish industrial city of Malmö.

When the Danish and the Swedish governments sign the actual contract of cooperation, it will open up the second phase of a major infrastructure program in Denmark (see **Map**). The first phase involves the construction of a bridge across the Greater Belt outlet from the Baltic Sea. This bridge is now under construction and will be completed by 1996. The second phase will be the bridge across to Sweden, and if the final agreement between Denmark and Sweden is signed by this summer, the bridge can be finished by 1999. At this stage, Scandinavia will have direct road and railway connection to the European continent. In recent weeks, Danish Transport Minister Kaj Ikkast has also emphasized that the Danish infrastructure plans must include direct links to the coming high-speed train networks of Germany and France.

But from a Scandinavian point of view, the connection

across the Sound to the island of Zealand, on which Copenhagen is located, farther west over the Greater Belt Bridge, across the island of Funen, over the Lesser Belt Bridge to the Jutland peninsula and from there to Hamburg and the rest of Europe is a significant and expensive detour. Therefore, a third phase will be a tunnel across the Baltic Sea linking southeastern Denmark to Germany just north of Lübeck. This Baltic Sea tunnel could be ready by the year 2000, completing a Danish infrastructure program consisting of a total of five bridges and three tunnels, with a combined length of 60 kilometers and a total budget of almost \$10 billion.

## The largest suspension bridge in the world

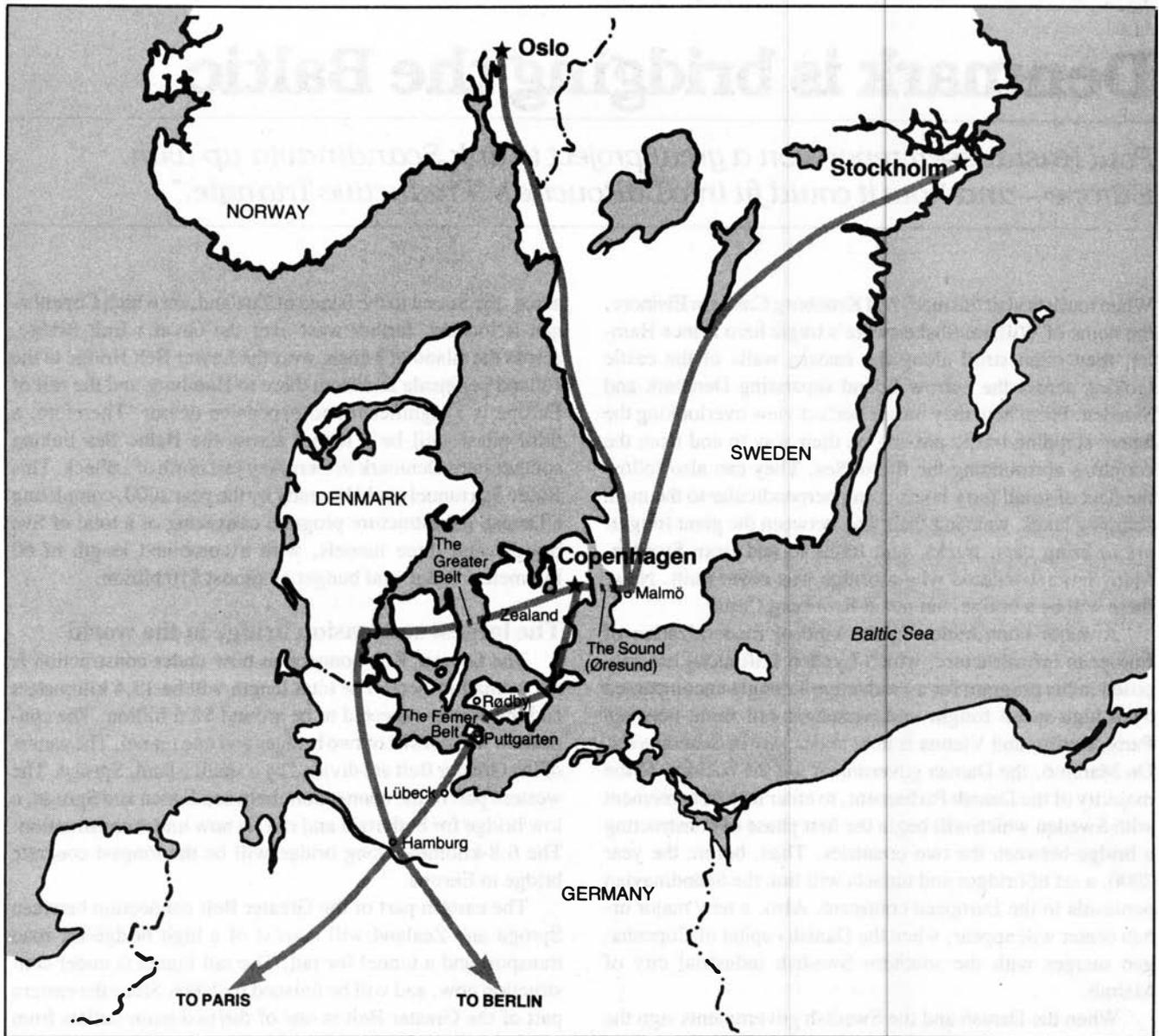
The Greater Belt connection now under construction is not a small project. The total length will be 13.4 kilometers and the cost is expected to be around \$2.5 billion. The connection will consist of two bridges and one tunnel. The waters of the Greater Belt are divided by a small island, Sprogø. The western part of the connection, between Funen and Sprogø, a low bridge for both road and rail, is now under construction. The 6.8-kilometer-long bridge will be the longest concrete bridge in Europe.

The eastern part of the Greater Belt connection between Sprogø and Zealand will consist of a high bridge for road transport and a tunnel for rail. The rail tunnel is under construction now, and will be finished by 1993. Since the eastern part of the Greater Belt is one of the two main outlets from the Baltic Sea, the bridge will have to allow for passage of very large vessels. Therefore, the high bridge will become the largest suspension bridge in the world. The span will be 1,624 meters and the towers will reach 260 meters above sea level. These man-made constructions will reach 90 meters higher than the highest point in Denmark supplied by nature.

## The Sound connection

The connection between Denmark and Sweden will go from the southeastern part of the Sound (Øresund) reaching Sweden just south of Malmö. It will be a combined rail and road connection. Since the Sound is the other major outlet from the Baltic Sea, and since there are three major shipping routes in this part of the Sound, the connection has to be

## Linking Scandinavia's 23 million people with the European powerhouse



The Danish infrastructure program under construction is identical to the infrastructure needed to realize the northern spiral arm of Lyndon LaRouche's proposal for a European Productive Triangle. The Danish proposal includes a total of 60 kilometers of combined bridges and tunnels, plus new highways and high-speed railways inland at a cost of \$10 billion. All of this will link the Scandinavian population of 23 million to the future Paris-Berlin-Vienna Productive Triangle.

Now under construction with a completion date of 1996, the **Greater Belt Bridge** consists of two bridges and a tunnel and accommodate both rail and auto traffic. Total length will be 13.4 km and it will cost approximately \$2.2 billion. The Western Bridge will be the longest concrete bridge in Europe. The Eastern Bridge will be the longest suspension bridge in the world, with a span of 1,624 meters, and a maximum elevation of 65 meters. (Humber Bridge in England—presently the longest—has a span of 1,410 meters.)

The **Sound (Øresund) Connection** portion of the overall project is 17.5 kilometers long, and its cost will total approximately \$2.5 billion at the expected 1999 completion date. Linking Denmark's capital of Copenhagen with Swedish industrial center Malmö, the connection consists of a 2 kilometer tunnel and 15.5 kilometers of combined high and low bridges. The connection will allow rail transport of goods from Scandinavia to the rest of Europe to rise from 8 million tons per year now to 15 million tons by the end of the decade. Rail ridership is estimated to increase from 5.5 million to 11 million by the year 2000.

The **Femer Connection**, will link Zeeland to the north German mainland via a 23 kilometer long tunnel between Rødby on the Danish island of Lolland and Puttgarten in Germany. Accommodating both rail and auto traffic, the project is expected to cost \$3 billion.

designed accordingly. The two eastern shipping routes will be kept free by two high bridges connected by stretches of regular low bridges. But the western shipping route, the so-called Drogen, is situated just next to Copenhagen International Airport. With a necessary span of 600 meters and towers 150 meters high only 2 kilometers from the main runway of the airport, such a bridge would be a virtual nightmare for the pilots. Therefore, instead of a high bridge, a tunnel will be constructed.

But to go from a bridge to a tunnel requires land. Happily, there is an island, Saltholm, right where the changeover occurs. Unhappily, Saltholm is inhabited by 40,000 birds and 12 seals, and these birds and seals have a lot of environmentalist friends ashore. Therefore, instead of using Saltholm for the bridge-tunnel changeover, an artificial island will be constructed.

This little detail alone adds \$800 million to the project.

## The Ørestad

The Copenhagen-Malmö connection is not the shortest possible route across the Sound. Up north at Kronborg Castle, between the cities of Elsinore (Helsingør in Denmark and Helsingborg in Sweden, the Sound is only 4.8 kilometers wide. Nonetheless, the Copenhagen-Malmö connection is definitely a wise choice. By building a bridge here, the industrial city of Malmö and the capital city of Copenhagen can be combined. This will create an urban center of 2 million people in the two combined cities alone, and an additional 2 million in the Zealand and southern Sweden areas. This will bring about a closely integrated region of almost 4 million people—the highest population density of all Scandinavia.

With the extensive deep-water port facilities on both sides of the Sound, high-speed rail connections going north and south, and a major international airport in the middle of it all, this new Ørestad—so-called because it spans the Øresund—has all the requirements for becoming a major industrial center.

The idea of such an Ørestad is not new. The first Danish-Swedish joint committee to investigate the possibility of constructing a bridge across the Sound was set up by the municipalities of Copenhagen and Malmö in 1957. The first report was published in 1962, and one of the Swedish engineers from that committee is still on the project today. During the 1960s, the concept of an Ørestad began to take form. Among its most outspoken advocates was the former Lord Mayor of Copenhagen, Urban Hansen. Many committees and subcommittees working on the Ørestad plans carried his name.

In 1965, the second report of the Sound connection was published by the Copenhagen municipalities. In this report, the Copenhagen-Malmö connection was recommended over that of the Helsingør-Helsingborg. There were two very interesting arguments from the authors of the report, Professor Kristian Antonsen of Copenhagen University and engineer Anders Nyvig. The first argument was a study on the potential

population density of the region with either a Copenhagen-Malmö or Helsingør-Helsingborg connection or both. Using a model developed by the American astronomer and sociologist John O. Stewart, a modified version of the LaGrange equations for the energy potential in a gravitational field, Antonsen and Nyvig concluded that the Copenhagen-Malmö connection would give the highest potential population density, and should therefore be preferred if both bridges could not be built.

The second argument was equally important. Writing in 1965, before the onslaught of the post-industrial insanity which has since gripped the brains of many politicians in the West, and before the World Bank and the IMF succeeded in writing off the Third World from any industrial development, Antonsen and Nyvig wrote:

“In the decades to come, a growing portion of the industrial exports from Western Europe will go to the Third World. These countries will first and foremost demand various means of production, i.e. machines, machine tools, etc. Since the industries in the greater Copenhagen area are expected to concentrate on the various iron and metal industries, and especially those sectors requiring a highly skilled labor force and technical research, one can expect a rise in the overseas export, especially from Copenhagen. The situation in the Malmö area is in many ways similar to the one on this side of the Sound, since the lack of local industrial raw materials has caused an industrial composition similar to Denmark’s.

“Such a specialization around the southern part of the Sound could lead to a local expansion of exports to the Third World, which could have an important impact on the development of the cities, especially the use of the port facilities.”

Similar to the arguments for building modern, high-speed train connections in the Productive Triangle of Europe, Antonsen and Nyvig also emphasize that the bridge is a kind of infrastructure that will stabilize and develop the industries in the region through fast and effective door-to-door transport, and through this increased activity, new industries will emerge.

This was the kind of thinking that created the idea of the Ørestad in the 1960s. Later, the two oil crises in 1974 and 1979, and the Paul Volcker high interest rates and the international debt crisis in 1982 sent the Danish economy into a tailspin and put an effective freeze on the visions of an industrial center in Copenhagen-Malmö.

Now, the liberation of Eastern Europe, the fall of the Berlin Wall and the reunification of Germany have caused the reappearance of the Ørestad. But, today everybody talks about the bridges in order to link Scandinavia to the coming free market “paradise” of “Europe ’92.” Nobody talks about the Third World. That has to change. Not only for Scandinavia, but for all of Europe. The Paris-Berlin-Vienna Productive Triangle should be an engine for the world economy, and not a playground for the fanatic followers of Adam Smith.

## Cholera: the price for Ibero-America's political prisoners

by Dennis Small

*The following is a speech delivered on March 16, 1991 to a conference sponsored by the Commission to Investigate Human Rights Violations in the United States held in Arlington, Virginia. The author, the Ibero-American editor of EIR, was a political prisoner in the United States, who recently finished serving two years in federal prison as part of the politically motivated railroad of Lyndon H. LaRouche and six associates. The speech has been slightly edited.*

On February 1 of this year, the first cases of severe diarrhea leading to death from dehydration were reported in the Peruvian coastal city of Chimbote. Five days—and 30 deaths—later, the health minister of Peru, Carlos Vidal, announced that it had been determined that an outbreak of cholera was under way, and called for an immediate declaration of a national health emergency to deal with the situation.

The health minister was properly panicked. Cholera had not been seen in Peru or elsewhere in Ibero-America for over 100 years. It was a disease of a darker past. The last time a cholera epidemic had swept the continent at the end of the nineteenth century, it had left tens of thousands of victims in its wake, and had only petered out when there were none left to infect.

### **A disease of poverty**

Cholera is an infectious bacterial disease that can cause severe diarrhea, which, if untreated, can lead to dehydration and death within hours, especially in children. The bacteria are primarily spread in feces, and therefore thrive in areas lacking in sewage, clean water, or sanitation—in other words, cholera is a water-borne disease. And it strikes particularly hard in populations which are susceptible due to poor nutrition and low epidemiological resistance. In a word, cholera is a disease of poverty, *par excellence*.

As Reuters news service matter-of-factly put it: "Peru is infamous for poor hygiene, with raw sewage gushing into the ocean and rivers that are used for



Unicef/Antonio Martinez

*As of mid-March, the cholera epidemic in Peru had struck 65,000, with reported deaths of 400. Cholera is a water-borne disease that will ravage countries too poor to provide running water and sewage treatment, as Peru has become under IMF dictatorship. Here, women and children are shown receiving packets of oral rehydration salts, which reverses the effects of diarrheal dehydration from cholera, but does not prevent it, or its recurrence.*

drinking water. Scientists say there is no reason anyone should die from the disease, because it can always be effectively countered by drinking fluids.”

Yet as of this date, nearly 400 people have already died of the cholera epidemic in Peru, and there are over 65,000 reported cases. Despite these facts, Peruvian Finance Minister Hurtado Miller went on television barely hours after the health minister’s urgent plea, and pronounced: “No state of emergency will be declared, because that would demand extraordinary expenditures, which are not now needed.” The finance minister was acting on the policy instructions of the International Monetary Fund and Peru’s creditor banks, and according to the dictates of Bush’s new world order.

Why did cholera strike Peru? What is the cause?

### **Political leaders jailed**

To properly answer that question, we must turn our attention back two years earlier, to late 1988, and to a different kind of wave which began to sweep across Ibero-America at that time. It was a wave of arrests of the political leaders of the continent who were opposed to the IMF policies which have led to the cholera outbreak. It began with the conviction of my co-defendant, Lyndon LaRouche—and, yes, I include Mr. LaRouche as a political leader of Ibero-America because his policy alternatives to IMF genocide are among the most prominent in that continent, and because he is viewed as such a leader by the patriots of Ibero-America themselves. In addition to LaRouche, the other key Ibero-American patriots

who were jailed in the last two years include Mexican oil workers leader Joaquín Hernández Galicia; Panama’s Gen. Manuel Antonio Noriega; and Argentina’s hero of the Malvinas War, Col. Mohamed Alí Seineldín.

These four individuals were jailed for political reasons, in order to clear the way for the implementation of George Bush’s new world order. They refused to submit to the Anglo-American Establishment policy of the extermination of billions of people, especially in the Third World, and the elimination of any memory of what today we call national sovereignty. Those individuals who resist, and also those institutions in the way of this genocide, such as the armed forces and the Catholic Church in Ibero-America, are to be eliminated. Those who do not resist are also to be eliminated.

Iraq demonstrated that policy in spades. The nation was leveled—not because of what Saddam Hussein did, but because of what Bush intended to do, regardless of Saddam Hussein’s actions. Peru is now slated for the same treatment, not necessarily with over 100,000 bombing sorties, but with an equally effective weapon of war: the policies of the International Monetary Fund.

That this is the deliberate intent of the Anglo-American Establishment should not be doubted for a moment. Malthus said it over 200 years ago, and I quote from his 1798 book *Essay on the Principle of Population*:

“All children who are born, beyond what would be required to keep up the population to a desired level, must necessarily perish, unless room be made for them by the

death of grown persons. . . . We should facilitate, instead of foolishly and vainly endeavoring to impede, the operations of nature in producing this mortality; and if we dread the too frequent visitation of the horrid form of famine, we should sedulously encourage the other forms of destruction, which we compel nature to use.

“Instead of recommending cleanliness to the poor, we should encourage contrary habits. In our towns we should make the streets narrower, crowd more people into the houses, and court the return of the plague. In the country, we should build our villages near stagnant pools, and particularly encourage settlement in all marshy and unwholesome situations.”

Recall this quote. I will return to it.

This policy was not forgotten after Malthus. Malthus was a spokesman for the British East India Company, the leadership of Anglo-colonialism of the time, which today is represented by Bush’s new world order, the modern form of Anglo-American imperialism. The policy was bluntly restated in the 1950s by a man whom LaRouche distinguished by referring to him as perhaps the most evil man of the twentieth century: Bertrand Lord Russell. Russell, following directly in Malthus’s footsteps, wrote a pamphlet in 1951 entitled “The Impact of Science on Society.” In it he said:

“The increase of population [should] be enormously diminished. . . . War so far has not had a very great effect on this increase. . . . War . . . has hitherto been disappointing in this respect. . . . But perhaps, bacteriological war may prove more effective. If a black death could spread throughout the world once every generation, the survivors could procreate freely without making the world too full. . . . The state of affairs might be somewhat unpleasant, but what of it? Really high-minded people are indifferent to happiness, especially other people’s.”

So do not doubt that the genocidal consequences of Bush’s new world order are deliberate.

I will now present a series of graphics which are intended to underline three simple points:

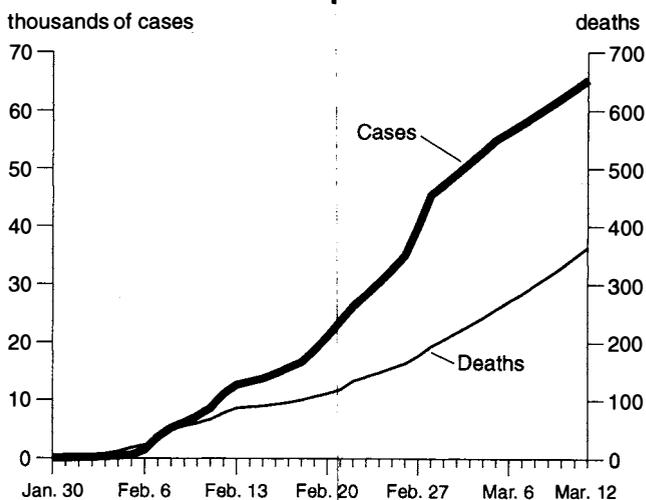
- 1) the extent and actual causes of the current cholera epidemic in Peru and Ibero-America;
- 2) that this policy is a deliberate one and that it is the content of Bush’s new world order; and
- 3) the solutions proposed by Mr. LaRouche to this policy of genocide.

### Cholera wave threatens the continent

Figure 1 shows the number of cases of cholera that have occurred in Peru since Feb. 1 of this year, up through mid-March. The official number of cases of the disease has risen very rapidly, in fact exponentially, over this period. Today, there are over 65,000 cases in Peru—that is, people showing the symptomology of the disease, people who are actually sick from cholera at this time. The official number of deaths is 363. Beyond this, it is usually estimated that there are anywhere

FIGURE 1

### Cholera outbreak sweeps Peru



Source: Ministry of Health, Peru.

from four to ten or more individuals *infected* with the cholera bacteria for every one who shows symptoms, i.e., for every case. All of those infected—which could already be as high as a million in Peru—are fully contagious and capable of transmitting the disease, even if they themselves are not sick.

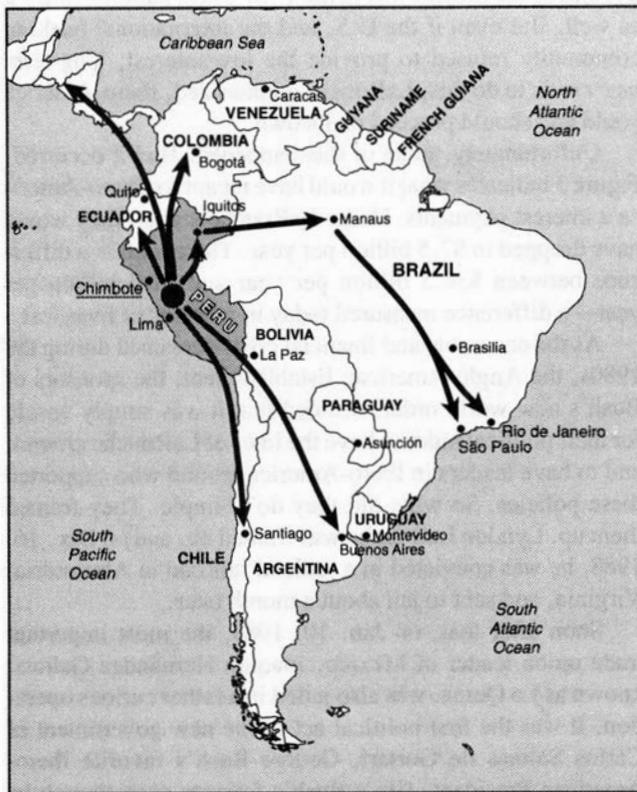
The disease was first detected around Feb. 1, and by Feb. 6 health authorities were able to positively identify it as cholera. The health minister then called for a state of emergency but, as I mentioned, the finance minister refused to adopt such measures. By then, there were already 30 deaths, with 438 cases reported. Within a week, by approximately Feb. 12, the disease had jumped over Peru’s northern border into Ecuador, at which point most of the nations of Ibero-America announced emergency measures to try to stop the spread of cholera into their countries which is not an easy thing to do.

On Feb. 16, the head of the Cholera Laboratory at the prestigious Pasteur Institute of France, Mr. André Dodin, stated, “In a few weeks the cholera epidemic sweeping Peru will cross the Andes, and in a matter of months it will appear on the Atlantic coast of Brazil.”

Eleven days later, cholera had indeed crossed the Andes and appeared in the Peruvian jungle town of Iquitos (see Figure 2). As the map shows, the disease first appeared in Chimbote, and then spread to the rest of Peru. Once in Iquitos, which is a port on the Amazon River, it is a short hop down river to Manaus in Brazil. Most of this jungle area is controlled by drug runners, and there is no sanitation. From Manaus, it is expected that cholera will quickly spread into the populous cities of the Atlantic coast of Brazil—São Paulo, Rio de Janeiro, etc. As the map indicates, the disease has also either already spread, or is expected to spread immi-

FIGURE 2

## Cholera is spreading rapidly throughout South America



EIRNS/John Sigerson

nently, to Ecuador, Argentina, Colombia, and Central America. I heard on the radio this morning that the first cases of cholera have already appeared in Chile as well.

While all of this was going on in mid-February, a rather remarkable thing happened in Peru. The President of Peru, Alberto Fujimori, on Feb. 26, at a time when there were already 165 deaths and 35,000 cases, publicly contradicted the statements of his own Health Ministry and of every leading international medical authority, all of whom had warned the Peruvian population not to consume raw fish, in the form of *ceviche*, which is a virtual staple in the Peruvian diet, since it was clearly a major form of cholera transmission. The educational campaign had been effective: Sales of *ceviche* had dropped by virtually 100% at that point. But President Fujimori, concerned about the impact of this on the Peruvian fishing industry, and on its ability to generate foreign exchange with which to pay the foreign debt, went on national television in Peru eating raw fish, and telling the population that it was perfectly safe to consume it. But he didn't bother to tell people that the fish he was consuming had been caught on the high seas and not in the coastal waters, which are indeed infected with cholera bacteria, due to the effluent of

the rivers in Lima and so on. And as a result of this, there was a second outbreak of cholera which was a direct result of the President's actions. This can be seen in Figure 1, which shows a sharp increase in the number of cases in late February. Within a few days of Fujimori's TV appearance, the number of cases had risen from 35,000 to 45,000—10,000 new cases! There was simultaneously a second wave of cholera which broke out in Chimbote, and at that point about 20 cases appeared in Ecuador as well.

The latest figures, as I said, are of about 65,000 cases, and 363 deaths. International authorities view this as a likely understatement of the reality of the situation. According to a German medical authority, Dr. Ehlen, there may be as many as three times that many cases. There may be not 363 dead, but 1,000 dead. Yet even this is small compared to what will actually occur over the coming months

## Thank the IMF

Why did cholera break out in Peru? Cholera is a disease of poverty. Where does poverty come from? Well, if you are looking at poverty, it is a very good starting place to look at the International Monetary Fund and what it has done to the nations of Ibero-America.

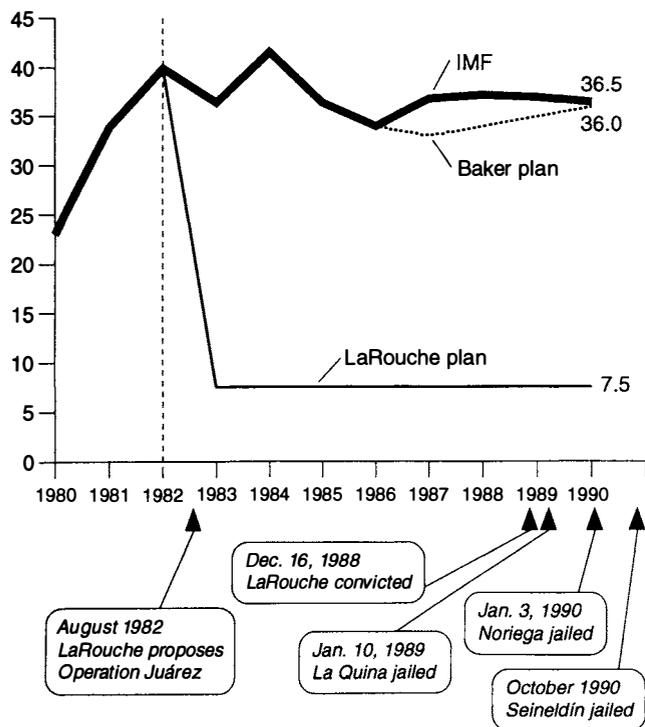
Figure 3 shows how the foreign debt of the nations of Ibero-America has been used as a mechanism to loot these countries. The top line, labeled "IMF," represents the actual interest payments due, year by year. In 1990, it stood at \$36.5 billion. Now, paying these usurious levels of debt service out of the existing income of these countries, requires literally starving their populations: Ibero-America has been forced to export everything that isn't nailed down; to destroy every development project that anyone had ever hoped for in these countries, including water treatment and other urban sanitation projects so necessary to stopping cholera and other diseases; and to reduce the standard of living and in particular the nutritional levels of the populations. All of this has been done in order to pay off the foreign debt.

The second line in Figure 3, labeled "Baker Plan," is what we projected back in 1986 that the interest payments would be under what was then called the Baker Plan. Baker at the time was the U.S. treasury secretary. Now he is secretary of state. It's hard to say which is worse, especially since his replacement at Treasury, Nicholas Brady, is a Bush clone. Not surprisingly, the payments actually due under the IMF policies in effect today, have matched almost exactly what we projected they would be under the Baker Plan back in 1986.

However, back in 1982, Lyndon LaRouche issued an economic policy statement after a visit to Mexico, where he met with then-President José López Portillo. Many of you are familiar with this published proposal, called *Operation Juárez*, in which LaRouche called on the nations of Ibero-America to take three simple steps to solve the debt crisis.

First, don't pay your foreign debt, as such an attempt is going to kill you, LaRouche told them. It is more important

FIGURE 3  
**Ibero-America: annual interest due**  
 (billions \$)



Sources: World Bank; Schiller Institute.

to maintain the livelihood and the existence of the population than it is to maintain usurious debt payments to the banks. And you can't do both; you have to prioritize, using a moral concept of economics. LaRouche explained that such a moratorium on debt payments would allow their economies to develop, as opposed to what has happened under IMF policies. He specifically suggested that Ibero-America not pay its foreign debt by forming a debtors' cartel, or a debtors' club, which jointly would have sufficient power to tell the banks where to get off.

Secondly, LaRouche urged that an Ibero-American common market be formed. The nations of Ibero-America, taken as a whole, have the potential to become an economic superpower. The continent is virtually self-sufficient in food, in energy resources, in basic raw materials, and even in middle-level capital goods and technological capabilities, although not at an advanced level. Therefore, if you establish a common market, and if you use your resources for high-technology industrial development, rather than for debt service, and if you launch great infrastructure development projects, *especially water development projects*—precisely the sort of projects which would have made the spread of cholera impossible—then you will be able to achieve rates of real physical economic

growth of 8-10% per year, over a period of decades.

The third point of *Operation Juárez* was that such an Ibero-American common market would constitute a booming new market for the export of U.S. capital goods and technology, and so the project was in the U.S.'s best national interest as well. But even if the U.S. and the international banking community refused to provide the low-interest, long-term *new credit* to do this, LaRouche emphasized, Ibero-America could and should proceed on its own.

Unfortunately, none of this happened. Had it occurred, Figure 3 indicates what it would have meant for Ibero-America's interest payments: Under LaRouche's plan, they would have dropped to \$7.5 billion per year. There's quite a difference between \$36.5 billion per year and \$7.5 billion per year—a difference measured today in millions of lives lost.

As the economic and financial crisis deepened during the 1980s, the Anglo-American Establishment, the sponsors of Bush's new world order, decided that it was simply unsafe for their political hides to have the likes of LaRouche around, and to have leaders in Ibero-America around who supported these policies. So what did they do? Simple. They framed them up. Lyndon LaRouche was framed up, and on Dec. 16, 1988, he was convicted in a judicial railroad in Alexandria, Virginia, and sent to jail about a month later.

Soon after that, on Jan. 10, 1989, the most important trade union leader of Mexico, Joaquín Hernández Galicia, known as La Quina, was also jailed in a rather curious operation. It was the first political act of the new government of Carlos Salinas de Gortari, George Bush's favorite Ibero-American President. (He's Bush's favorite even though he was trained at Harvard. Bush would have preferred Yale, but he apparently decided Harvard was okay too. Harvard also educates malthusian genocidalists.) So Salinas, as his first act of government, had the police and the Army of Mexico raid the house of La Quina . . . for what they thought was his house. They planted weapons there, in order to accuse him of "premeditated murder." However, they made a slight mistake, because they first planted the weapons in the house next door, which was his daughter's house, and then had to move them next door. La Quina was in the shower when they finally raided his house—not exactly "premeditated murder."

But since when has truth gotten in the way of a good, old political frameup? It didn't in the case of LaRouche, nor did it in the case of La Quina, and he too was sent to jail, for "premeditated murder," among other charges.

Had La Quina and other anti-IMF leaders of the Mexican trade union movement not been jailed back in 1989, I can fairly well assure you that Mexico would not have played the servile role that it played in the recent Gulf war, faithfully providing oil to the Bush war machine. This is what Bush wanted, and La Quina was in the way. So they framed him up.

A similar thing happened a year later on Jan. 19, 1990, with Gen. Manuel Antonio Noriega, the head of the Panama-

nian Defense Forces. Noriega didn't like Bush's emerging new world order either, especially the drugs-for-weapons Iran-Contra deal which Bush, Adm. John Poindexter, and Col. Oliver North were demanding that he support. Noriega was also fairly active in defending President Alan García of Peru, who at the time was standing up to the IMF. Furthermore, Noriega was very much a defender of the role of the armed forces in preserving national sovereignty, which in the case of Panama meant the defense of the Panama Canal Treaties.

So what did Bush do? Simple. He framed Noriega! And if you have to launch a small invasion, why not? And the fact that 4,000-7,000 innocent Panamanian civilians were butchered, with the acquiescence of the majority of the American population, who looked on impassively, no problem. Bush thought it a small price to pay. So what, that it was an assault on our own conscience and morality as a nation, as well as on the Panamanian people? And so it was done.

In October 1990, the fourth major Ibero-American political prisoner, Col. Mohamed Alí Seineldín, was jailed. Actually, he had been briefly jailed before that, earlier in 1990, for issuing a statement against the Panamanian invasion. That was deemed improper by the oh-so-democratic President Carlos Menem government of Argentina, so they jailed him for a couple of weeks. But Colonel Seineldín continued to speak out in defense of his country, in defense of its Armed Forces, and against the policies of the IMF, which were destroying both. So Seineldín was arrested again in October 1990, for writing an open letter to Menem warning him of the dangers ahead if these policies were pursued. A few months later, on Dec. 3, 1990, there was a military rebellion to protest the ongoing dismantling of the Argentine military. Menem blamed Colonel Seineldín for it, and he has just been sentenced to prison by a military tribunal for 20 years to life.

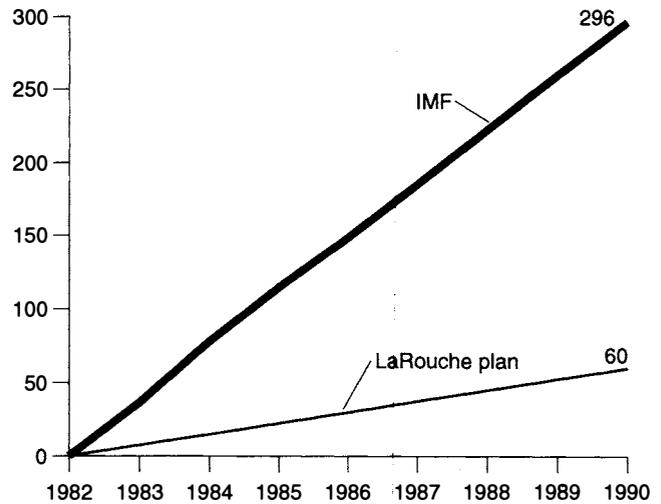
Figure 4 gives a cumulative picture of the looting of Ibero-America which has occurred because LaRouche's policies have not been implemented. From 1982, when LaRouche issued his *Operation Juárez* proposal, through 1990, \$296 billion in interest has been paid out by the nations of Ibero-America. Had LaRouche's plan been implemented, only \$60 billion in debt service would have been paid. The difference is \$236 billion in net debt looting. On top of this, a conservatively estimated \$150 billion has fled Ibero-America through capital flight during this same period—thanks to the IMF's insistence that there be no foreign exchange controls—for a grand total of \$386 billion over an eight-year period. This is \$386 billion of looted wealth, \$386 billion that could have—and would have, under a LaRouche policy—gone into the development of these nations' infrastructure, and to stopping the outbreak of diseases such as cholera, which are now sweeping the continent.

Throughout this period, the LaRouche movement warned about the dangers of these policies, warned that they would

FIGURE 4

**Ibero-America: cumulative interest due**

(billions \$)



Sources: World Bank; Schiller Institute.

unleash an ecological holocaust of untold proportions. For example, in 1974, a task force commissioned by LaRouche publicly warned that a global biological holocaust would ensue as a result of IMF policies. In 1985, that report was updated, the warning renewed, and the alternatives once again presented. The Aug. 1, 1989 issue of the Spanish-language version of *EIR, Resumen Ejecutivo*, is typical of our publications throughout this period: "The IMF brings epidemics and hunger to Ibero-America," reads the cover headline. This was not crystal ball gazing. It was the foreseeable consequence of IMF policies, policies dictated and outlined hundreds of years ago by Malthus et al., and reiterated in this century by the likes of Bertrand Russell, and implemented today by George Bush.

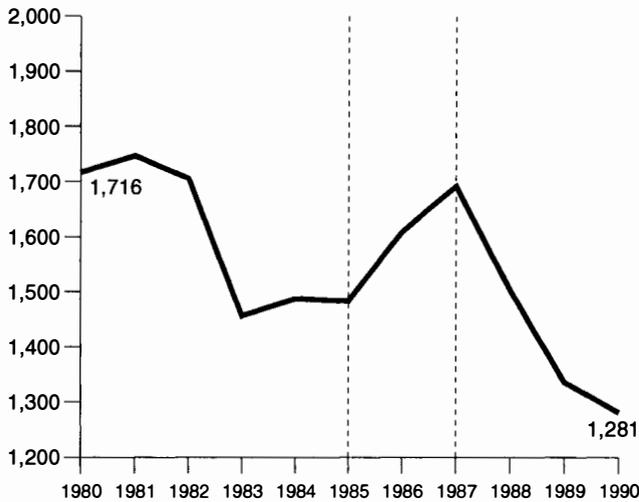
Did the creditor banks and the IMF know that their debt collection policies would lead to these genocidal results? Emphatically, yes. The chairman of Citibank, John Reed, in a July 1990 visit to Brazil, had the following to say: "If you look at a map of the world economy, you will see that there are countries that are disappearing. Where did Burma end up? After the war Burma disappeared. It was a rich country, like Brazil. Peru and Bolivia will disappear."

More than a banker's prediction, this is a statement of intent. For Peru today is indeed disappearing as a sovereign nation.

**The causes of cholera in Peru**

As we look at the case of Peru, one can see very concretely where today's cholera came from. Figure 5 shows Peru's Gross National Product (GNP) per capita over the last de-

FIGURE 5  
**Peruvian GNP per capita collapses**  
 (1988 \$)



Source: Inter-American Development Bank.

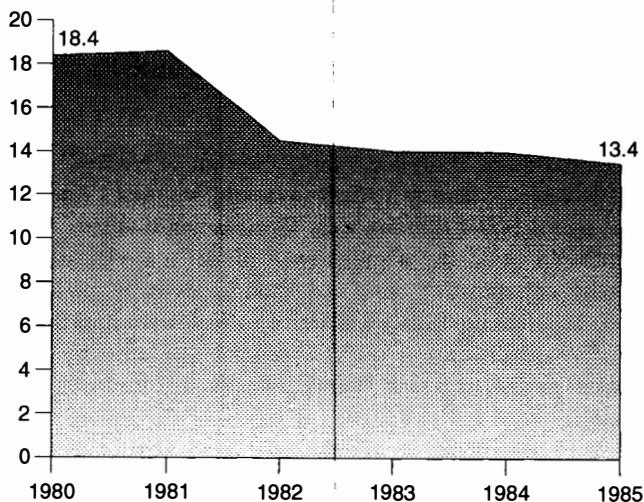
cade—in other words, how much overall production is produced per year per Peruvian. Already in 1980, things were at a pretty bad level of \$1,716 per capita. From that time until today, GNP per capita dropped pretty much steadily, with the one exception being the 1985-87 period, the first two years of the Alan García government. What García did during these two years was simple: He told the IMF and the creditor banks that Peru would pay them only 10% of its foreign exchange earnings from exports, far less than what was then being demanded by the creditors. If Peru pays the full amount, García explained, the Peruvian people will die of hunger and disease, and we are not going to do that. Therefore, one sees a brief increase of GNP per capita during the first two years of his government. But after that, García capitulated to the international bankers and to the drug bankers in particular. And the consequences can be seen: GNP per capita plummeted again after 1987. Today it is at \$1,281 per capita, a 25% drop from the already miserable levels of 1980.

How is this reflected in the health area? Figure 6 shows Peruvian government health expenditures per capita, which declined substantially (about 25%) between 1980 and 1985. Although more recent statistics were unavailable, it is likely that the descent has continued over the most recent five years.

Such direct expenditures by the government obviously impact the health situation of the population directly, but of even greater importance is the question of urban infrastructure, especially the supply of adequate clean water and sanitation. And in this regard, things look even worse.

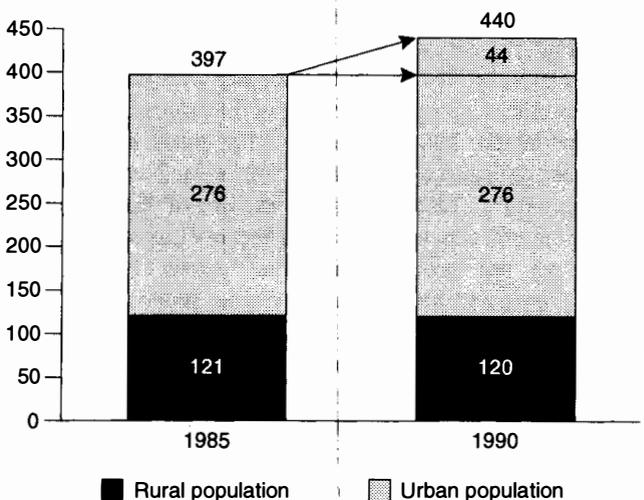
Figure 7 shows what has happened between 1985 and 1990 to the urban population of Ibero-America. The total

FIGURE 6  
**Peruvian government cuts health expenditures**  
 (1988 \$ per capita)



Source: Inter-American Development Bank.

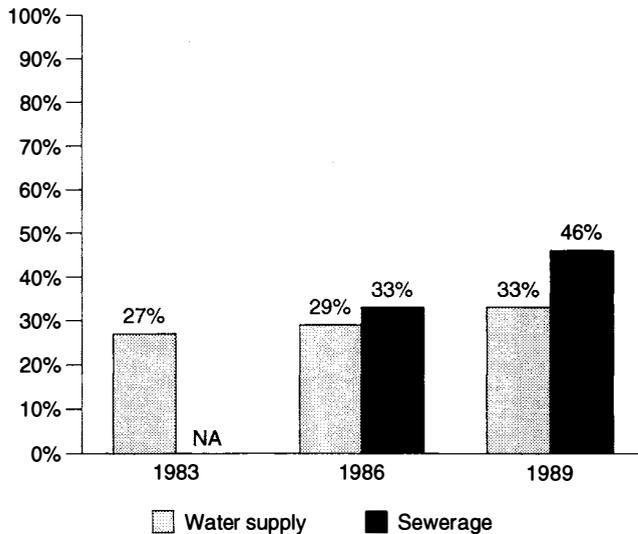
FIGURE 7  
**Ibero-American population growing in urban areas**  
 (millions of people)



Source: World Bank.

population increased from 397 million in 1985 to 440 million in 1990, but the rural portion of that population, those living in the countryside, has been stagnant. Actually, it dropped from 121 to 120 million in that five-year period. So the entire population increase, 44 million people, went into Ibero-

FIGURE 8  
**Peru's cities lack basic water services**  
 (percent of total population without water or sewage)



Sources: World Bank; World Health Organization; ECLAC; SENAPAL.

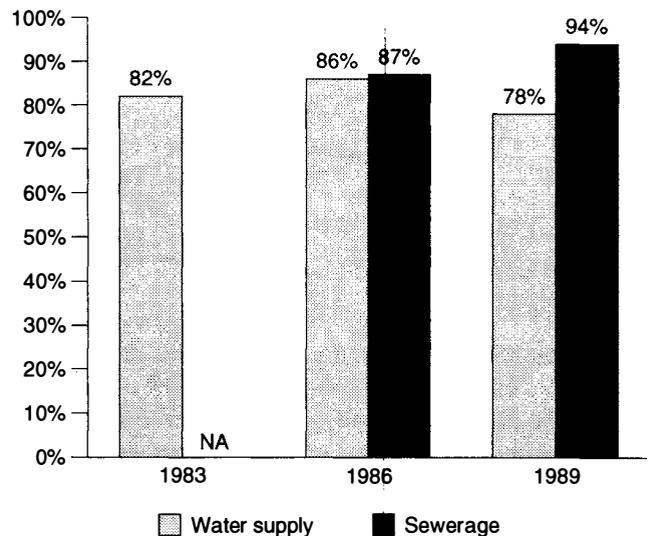
America's cities. But during this same period of time, virtually no new housing was built for these new urban dwellers. No new sewer systems were built. No new potable water treatment plants were constructed. No new health expenditures were made. If anything, the entire urban infrastructure collapsed in absolute terms between 1985 and 1990. So you have 44 million new people in the cities with a stagnant or collapsing level of services. What do you think happens under these circumstances?

In Brazil—possibly the next Ibero-American country to be swept with the cholera epidemic—the urban population rose by more than 17 million from 1985 to 1990. By and large, they moved into the *favelas*, or Brazilian shantytowns. And in Peru, the urban population rose from 13.3 million in 1985 to 15.7 million in 1990, an increase of 2.4 million new Peruvians in the cities.

What did this mean for Peru? **Figure 8** shows that a growing proportion of Peru's urban population has been left without water services, both potable water supply and sewerage. By 1989, a third of those living in cities did not have potable water, and nearly half (46%) didn't have sewerage. Is it any wonder why there is cholera?

**Figure 9** looks at the same categories for the rural population. If you think the cities are bad, take a look at the countryside. Today 94% of Peruvians living in the countryside have no sewerage, and 78% do not have potable water. And in both the cities and the countryside the situation has been getting worse over the years, not better, thanks to the International Monetary Fund malthusians.

FIGURE 9  
**Peru's countryside has almost no water services**  
 (percent of total population without water or sewage)



Sources: World Bank; World Health Organization; ECLAC; SENAPAL.

But the reality of the situation is probably even worse than these dismal official figures indicate. Experts in the field consulted by *EIR* admit as much, off the record. For example, a top water resource engineer at a multinational institution in Washington, D.C. told an *EIR* researcher who was calling for data regarding water services:

"You won't find such statistics. They don't exist, and what does exist you won't find. I participated in a study in Colombia that you cannot get, and I cannot tell you about, that showed that the condition of drinking water was very poor. There was another study done in Mexico that you also won't be able to get. The starting presumption was that about 70% of Mexico's drinking water was unsanitary, and the results of the study showed it to be much worse than that. . . ."

"In general, the rivers are open sewers. In Peru, this same river-sewage water is then used for irrigation. In Lima, a large amount of sewage is dumped out on the beach. . . ."

"When the water pressure in the pipes drops, there is back seepage of water that is heavily infested with sewage water. And as for sewage treatment, under 10% of sewage is treated."

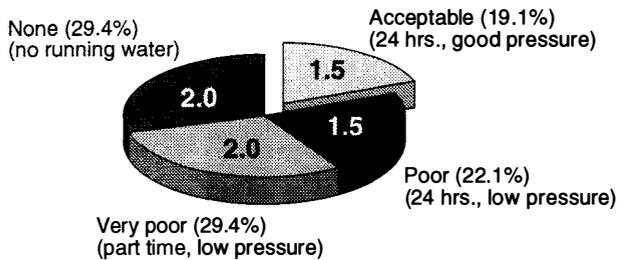
### Lima, the new Baghdad

A detailed look at the water supply situation in Lima, Peru's capital, confirms this expert's evaluation.

For starters, Lima has precious little water of any sort. In fact, the entire Pacific coastal strip of Peru, where most of the population lives, is a virtual desert, as 98% of the coun-

FIGURE 10

**Abysmal quality of water services in Lima**  
(millions of users, and % of total)



Sources: SENAPAL; Engineering Society of Peru.

try's water runoff goes into the Amazon basin on the eastern side of the Andes mountain range, and only 2% comes down the Pacific side. Additionally, it almost never rains in this coastal strip, because of the weather patterns set by the famous El Niño Pacific Ocean current.

So Lima gets most of its water (over 60%) from the Rimac River, which runs right through the middle of the city, and is horribly polluted. As Figure 10 indicates, the remainder of Lima's water comes from a large number of underground wells, perhaps a third of which are dysfunctional at this time. Thus, in 1990, Lima's total potential water supply amounted to a mere 17.3 cubic meters per second. As for treatment to make it potable, a certain amount of the well water is chlorinated (but not all of it), and some water from the river (about 40% of the flow) is treated at the Atarjea I and Atarjea II water treatment plants.

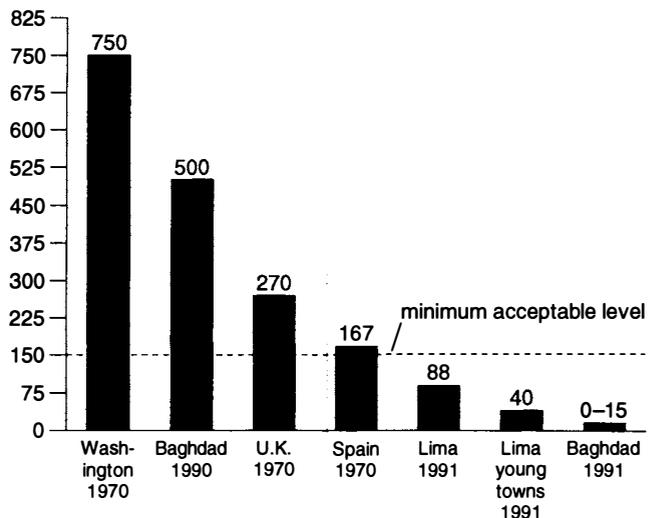
Who gets the water in Lima? Lima's current total population is in dispute. Some say it is 6.8 million; others insist that it has risen to 8 million by now. We have chosen the lower figure in order to be conservative in our conclusions. Of this total, only 1.3 million, or 19%, have acceptable water services, where "acceptable" is defined as having residential water supply 24 hours a day, with adequate water pressure. The rest of the Lima population, 81%, does not have adequate water services today. Some have water only part of the day; some have inadequate water pressure (which is a major health hazard, as explained above); and some, about 2 million Lima residents, have no water supply whatsoever. These are principally the residents of Lima's impoverished shantytowns or "Pueblos Jóvenes" ("Young Towns"), as they are known in Peru. These are the 2 million most immediately susceptible to the spread of the cholera epidemic, since they are forced to take their daily water from public troughs, open cisterns, and the super-polluted Rimac River itself.

Figure 11 tells the shocking story of just how bad Lima's potable water supply is, compared to the rest of the world. The bar diagram indicates the amount of available potable water in various countries, with the horizontal line marking

FIGURE 11

**Availability of potable water in Lima is below minimum standards**

(liters per capita per day)



Sources: SENAPAL; Engineering Society of Peru; UNICEF; *Water Resources of the World*, World Information Center, 1975.

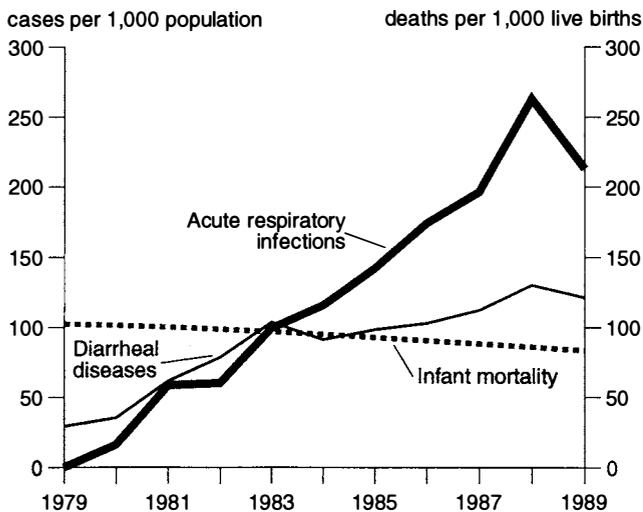
the minimum acceptable level of 150 liters per capita per day, as defined by standard engineering norms. Lima today has about 88 liters per capita per day available for its population. And in the shantytowns, Lima's "Young Towns," the average per capita consumption of water is about 40 liters per day—which is barely a quarter of the minimum acceptable level.

Compare this to the 750 liters per capita per day, which Washington, D.C. had in 1970. Before Bush's genocidal Gulf war, in 1990, Baghdad, Iraq had a respectable level of 500 liters per capita per day. Do you want to know where Baghdad stands today, after George Bush bombed every water treatment plant to smithereens and after he destroyed every energy plant in the country, since they were clearly "military targets"? According to UNICEF, Baghdad today has somewhere between zero and 15 liters of potable water available per capita (see page 47). These are genocidal levels, levels which guarantee the unrestrained spread of cholera and numerous other deadly epidemics throughout Iraq. Yet Lima's level, especially in the "Young Towns," is hardly any better. They, too, guarantee the uncontrolled spread of cholera and other deadly epidemics.

The fact is that Baghdad and Lima are both the victims of the same new world order policy of the malthusians. This policy is being implemented with slightly different methods and measures in the two cases, but it is designed to produce the same results. In the one case, it has been achieved via bombing sorties. In the other case, it is occurring through the

FIGURE 12

**Growth in communicable diseases in Peru belies purported drop in infant mortality**



Source: Ministry of Health, Peru.

policies of the International Monetary Fund. In both cases, it is a policy being forced through by George Bush. In both cases, the malthusian objective is to depopulate, and to eliminate the sovereignty of, the nations of the Third World in particular. It is this that produces the spread of diseases like cholera.

**Disease or development**

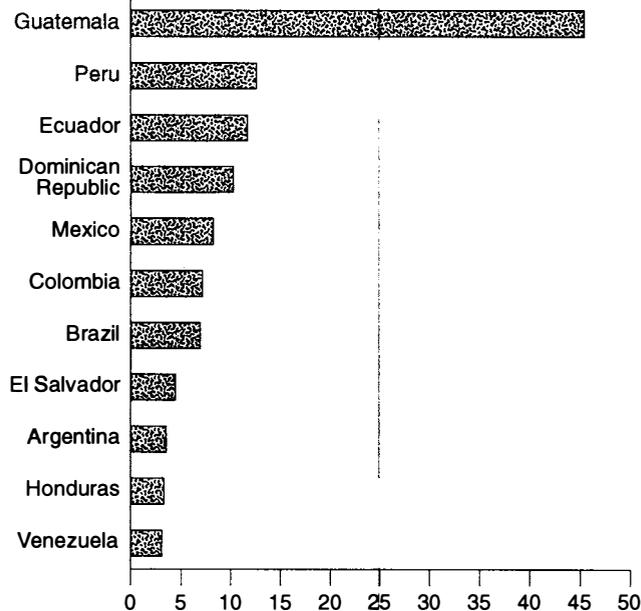
This water supply catastrophe is directly reflected in a worsening disease and public health situation in Peru. **Figure 12** shows that the official infant mortality rate has dropped from 103 per 1,000 live births in 1979, to “only” 83 in 1989 (it is about 10 in the United States). Yet this decline, which would seem to indicate a slight improvement in this parameter, makes no sense in light of the rest of the statistical picture. Look at what is happening to acute respiratory infections, and to diarrheal diseases, according to the Peruvian health ministry’s own statistics: They are zooming up. These are among the principal causes of infant deaths, so it is highly unlikely that the infant mortality rate is really dropping.

**Figures 13 and 14** compare Peru to other Ibero-American countries in terms of deaths from nutritional and diarrheal diseases. What they show is that, outside of the horrendous and shocking situation in Guatemala (on both counts), Peru is among the worst of the Ibero-American nations in these key health parameters. But they also show that Peru is not that much worse than the rest of Ibero-America. Or, to state the same point negatively, the rest of Ibero-America is following closely behind Peru in the destruction of its crucial health and nutritional parameters . . . and is almost as vulner-

FIGURE 13

**Deaths from nutritional diseases**

(per 1,000 population in 1986)

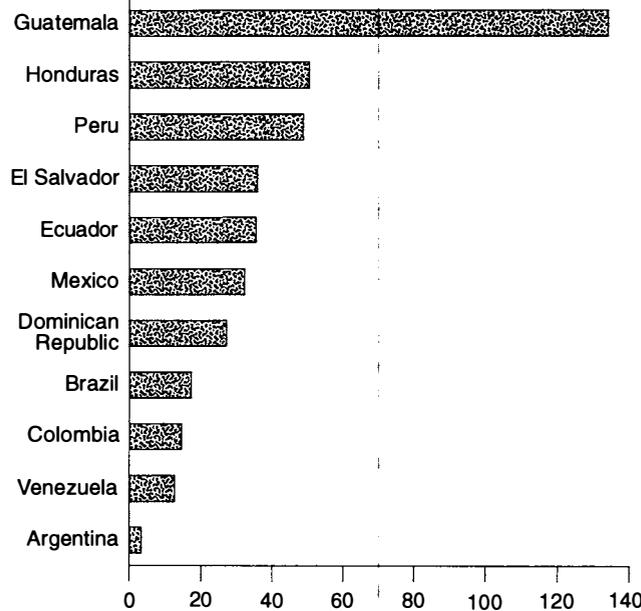


Source: PAHO.

FIGURE 14

**Deaths from diarrheal diseases**

(per 100,000 population in 1986)



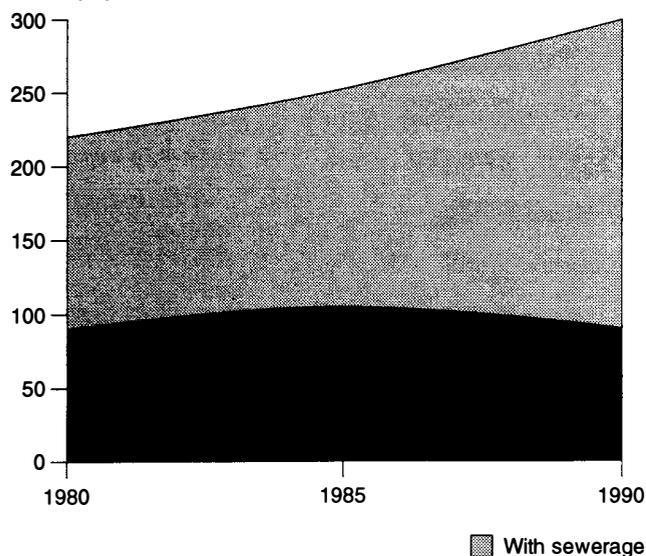
Source: PAHO.

FIGURE 15

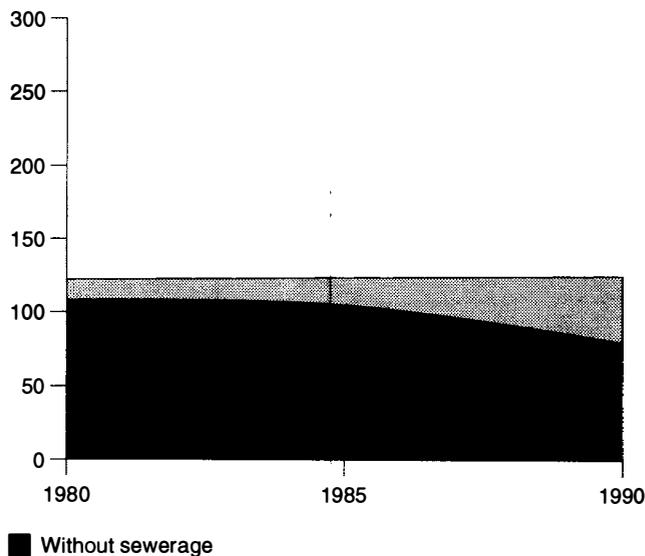
## Population served by sewerage in 26 Ibero-American and Caribbean countries

(millions)

### Urban population:



### Rural population:



Source: PAHO.

able to the spread of the cholera epidemic as Peru.

Just how vulnerable is Ibero-America as a whole? How many people are in the pool of susceptible victims? **Figure 15** shows the breakdown in the urban and rural populations of the whole continent between those served, and those not served, by basic sewerage. The lower, darker area under the curve, is those who do not have sewerage—which in urban areas today totals nearly 100 million people, and in rural areas totals about 90 million. In other words, over 40% of the total population of Ibero-America lacks this elementary water service, and the same pattern holds true for other critical parameters.

These 190 million or so are cholera's target victims. They are the population whose heads are on the chopping block, the ones who are slated for the same treatment that Iraq got at the hands of George Bush. This is the significance of the outbreak of cholera in Peru. This is the meaning of the ecological holocaust being triggered by the policies of the International Monetary Fund. This is the concrete result, in human lives, of framing up and jailing the Ibero-American leaders who have championed the battle against these malthusian policies.

It is no exaggeration to say that if LaRouche were free and if his policies were implemented in the case of Ibero-America, if Noriega were out of jail, if Seineldín were free, and if La Quina were not in jail, then this level of genocide would not be occurring. But that, of course, is precisely the

reason that they *were* jailed, so that Bush et al. would be able to implement these malthusian policies, virtually without resistance.

In conclusion, I want to return to the quote from Malthus that I cited at the outset, because in it, Malthus not only calls for active and deliberate genocide through biological and health warfare, but he also goes on to talk about what should be done to those who, like LaRouche today, oppose such policies:

"All children who are born, beyond what would be required to keep up the population to a desired level, must necessarily perish, unless room be made for them by the death of grown persons. . . . We should facilitate, instead of foolishly and vainly endeavoring to impede, the operations of nature in producing this mortality; and if we dread the too frequent visitation of the horrid form of famine, we should sedulously encourage the other forms of destruction, which we compel nature to use.

"Instead of recommending cleanliness to the poor, we should encourage contrary habits. In our towns we should make the streets narrower, crowd more people into the houses, and court the return of the plague. In the country, we should build our villages near stagnant pools, and particularly encourage settlement in all marshy and unwholesome situations. *But above all, we should reprobate specific remedies for ravaging diseases and restrain those benevolent, but much mistaken men who have thought they are doing a service to mankind by protecting schemes for the total extirpa-*

tion of particular disorders" (emphasis added).

Those "benevolent but much mistaken men" who Malthus would "restrain," are the hope of mankind. And it is our

task—those of us in jail, and those of us now free, whatever our particular circumstance might be—to carry that battle forward and see it through to victory.

## Cholera epidemics, symptoms, and cure

Cholera is an acute, sometimes explosive, diarrheal disease caused by a toxin produced by *Vibrio cholerae* in the small intestine. It generally occurs in epidemics and may cause a rapid massive fluid loss from the gut, with extreme salt depletion, acidosis, and shock.

*V. cholerae* is a short, slightly curved, rod-shaped, bacterium that moves rapidly by a single, whip-like structure called a flagellum.

The common delta of the Ganges and Brahmaputra rivers of India and Bangladesh was a known focus of cholera since the sixteenth century. Until the nineteenth century, cholera remained confined to Asia, almost exclusively to India. Under the British Raj, forerunner of the "new world order," cholera spread along the trade routes of most of the globe in six pandemics between 1817 and 1923. Subsequently, cholera retreated to the endemic regions of Southeast Asia, except for one isolated epidemic in Egypt in 1947. The seventh pandemic spread of disease extended from Sulawesi (Celebes), Indonesia in 1961, northward to the Korea peninsula, and through Southeast Asia, the Indian subcontinent, the Middle East, southern Europe, and Africa. Endemic foci in many of these recently involved areas, and isolated illness, have occurred since this pandemic reached its acme in 1971.

Since Robert Koch discovered the cholera vibrio in 1884, scientists have found many other vibrios. Most of these vibrios are hemolytic, that is, they attack and destroy red blood cells. True cholera vibrios supposedly were not hemolytic. This distinction collapsed in 1906, when Gotschlich isolated hemolytic vibrios from dead pilgrims at the Eltor quarantine station in Egypt. There was no cholera epidemic then, and the significance of this hemolytic cholera vibrio remained unknown. In 1939, DeMoor described cholera in Sulawesi (Celebes), Indonesia, that was due to *V. cholerae* biotype Eltor. This Eltor vibrio is the etiologic agent in the present pandemic.

The cholera patient ingests viable *V. cholerae*, which multiply in the small bowel and produce a toxin. This toxin stimulates the intestinal cells to secrete large quantities of isotonic fluid faster than the colon can reabsorb it. This produces a watery, isotonic diarrhea. All strains of

*V. cholerae* produce the same stool fluid-electrolyte losses that cause the physical findings and laboratory abnormalities seen in cholera. There is no evidence that the vibrio invades any tissue or that the enterotoxin directly affects any organ other than the small intestine. Cholera has the shortest incubation period of any infection; grave symptoms can occur within a few hours of infection.

Most infections with *V. cholerae* are asymptomatic or mild. The ratio of severe disease to mild and inapparent infections has been from 1:5 to 1:10 in classic cholera, and only about 1:25 to 1:100 for cholera Eltor. The hospitalized cases of both forms of disease, therefore, represent extreme manifestations of disease, with most infections going undetected unless intensive bacteriologic or serologic studies are made.

The sudden onset of profuse, effortless diarrhea is the *sine qua non* of severe symptomatic cholera. The diarrhea initially may be bile tinged and contain fecal particles, but a "rice water stool" soon follows. This is a continuous, light-gray water diarrhea with flecks of mucous material, but no pus or blood. Most patients, soon after the onset of diarrhea, have copious effortless vomiting that is precipitous but not persistent. Severe muscular cramps, most frequently located in the fingers, toes, and lower extremities, but sometimes generalized, are present in 75% of patients. Patients usually are not seen by a physician until 8 to 16 hours after onset of diarrhea. If not moribund, the patient is hoarse, reasonably alert, and oriented. Marked dehydration causes sunken eyes and cheeks, dry tongue and mucous membranes, poor skin turgor, shriveled feet, and "washerwoman's hands." The lips are cyanotic, the skin is cold and clammy, temperature is subnormal, and respirations are rapid and shallow. There is tachycardia and hypotension or an imperceptible pulse and blood pressure.

Children do not respond like adults. They frequently have fever, tetany or generalized convulsions, and pulmonary edema.

Prompt fluid, electrolyte, and base replacement rapidly improves all signs and symptoms except diarrhea. The illness may last from 12 hours to seven days. There should be no complications or sequelae if cholera is treated promptly and correctly. Under ideal conditions and with prompt and adequate fluid replacement, mortality and significant sequelae approach zero. Oral glucose-electrolyte therapy can be effective even under the most primitive conditions.—*John Grauerholz, M.D.*

## U.N. imposes death sentence on Iraq

by Joseph Brewda

The United Nations Security Council revealed what the "new world order" means for the Third World in the cease-fire demands on Iraq that it adopted, in a 12-to-1 vote, on April 3. The conditions demanded in Resolution 687 would usurp sovereign powers properly retained by the government of Iraq and relegate them to the U.N. These powers include the right to set debt repayment policy and economic development policy, the right to engage in bilateral negotiation on its boundary disputes without external interference, and retain sole control over its oil fields. If Iraq were to accept the resolution it would, in effect, become a U.N.-administered trusteeship, and serve as a model for a new type of colonialism. If Iraq rejects the cease-fire resolution it faces renewed war, and certainly a continuing blockade of food and medical shipments to its war-ravaged population.

The pretext for the U.S.-led and U.N.-sanctioned war against Iraq had been the Iraqi occupation of Kuwait that began Aug. 2, 1990. On Aug. 2, the U.N. Security Council, under pressure of the U.S. and British governments, rammed through Resolution 660, which demanded that Iraq withdraw from Kuwait. All other resolutions passed by that body since that period were formally adopted to enforce that withdrawal, including Resolution 678 which authorized war with Iraq to enforce that withdrawal.

Now that the Iraqi occupation of Kuwait has ended, and instead, U.S. forces occupy Iraq, the U.N. has shifted its demands to focus on areas that formally have nothing to do with the Iraqi occupation of Kuwait or prior resolutions, but everything to do with the real motivation of the war.

### **An exercise in eliminating sovereignty**

While Resolution 687 focuses solely on Iraq, the demands it makes are those that the U.S. and Britain have long demanded be enforced against the entire Third World. Now

that Iraq has been destroyed, the enforcement of this resolution is meant to prevent Iraq from ever rebuilding, and at the same time provide a model for future demands against other Third World states. States that are high on this list include Brazil, Argentina, India, Pakistan, Nigeria, and Indonesia, and any others with significant development potential.

Among the resolution's demands are that Iraq "scrupulously adhere" to the payment of its foreign debt obligations, which total billions of dollars as a result of the 1980-88 Iran-Iraq war. The U.S. and Britain had armed both Iran and Iraq during that war in order to ruin both countries, but especially to ruin Iraq. The U.N. imperiously declared in its resolution that Iraq's previous repudiation of this war-incurred debt was "null and void," a precedent for related measures against other Third World states needing debt relief.

In a related measure, the resolution would establish a U.N.-administered mechanism whereby an unspecified percentage of Iraq's oil revenue (which had accounted for almost all of its foreign exchange earnings) would be diverted to paying "reparations" for damages to Kuwait and other nations incurred in the war. Kuwait has already demanded some \$60 billion in reparations. This measure would effectively reimpose the type of looting of natural resources of oil-producing nations which existed prior to the foundation of OPEC and the nationalization of foreign-controlled oil fields. Now that the U.S. is militarily occupying the Gulf's oil fields, that nationalization has been reversed.

On the military side, the resolution would impose a total international ban on the sale of any arms of any kind to Iraq, thereby destroying the Iraqi military. The resolution also calls for the systematic destruction of Iraqi missiles and other weapons which the U.N. terms "aggressive." The elimination of Iraqi military capacity leaves the nuclear-armed Anglo-American client state of Israel as the remaining regional power.

## **Banning Third World development**

More importantly, the resolution would impose an international ban on the sale of technology to Iraq which could conceivably be used in the manufacture of weapons. Since any modern plant—for example, a fertilizer plant or truck plant—could also produce chemical poisons and military jeeps, this provision would ensure that Iraq will never again become an industrializing nation.

That this measure is intended for the entire Third World is otherwise indicated by the Bush administration's Enhanced Proliferation Control Initiative, an administrative procedure which will take effect in mid-April. The initiative will extend severe restrictions, including export licenses, on the U.S. sale of supposed weapons-producing technology to the Third World.

The U.N. also demands that Iraq agree to the Geneva Protocol banning the production of chemical and biological weapons—a protocol not adhered to by Israel, the United States, or any other permanent member of the Security Council. Iraq would further be compelled to accept U.N. or related international agency personnel on its territory to inspect its factories to ensure compliance with this protocol. The U.N. also demands that Iraq reaffirm its compliance with the Nuclear Non-Proliferation Treaty—which implicitly outlaws the production of nuclear weapons by non-white-ruled states—and to allow inspection of its industrial facilities by U.N. agents deployed to ensure compliance. The wording of the resolution makes clear that Iraq will never be allowed to build or purchase nuclear power plants or research reactors.

On the political side, the resolution demands that Iraq refuse to accept "terrorist organizations" on its territory, a reference to the Palestine Liberation Organization (PLO) and other organizations unwanted by the new world order. The U.N. also demands that Iraq denounce "terrorism," a vague term typically used against opponents of imperialism.

The resolution also demands that Iraq accept U.N.-dictated borders with Kuwait, despite the fact that no Iraqi government—whether royalist, Soviet-backed, or Baathist—has ever recognized the existence of Kuwait, which the British had seized in 1898 from the Arab lands which became Iraq. This is the first time that the Security Council has ever taken it upon itself to dictate international borders. It is intended to be a precedent for related measures against other Third World states.

Following the vote, a gloating U.S. Ambassador to the U.N., Thomas Pickering, called the resolution "tough but fair," while Soviet Ambassador Yuli Vorontsov stated that the resolution was "a serious warning to all those who might be tempted to commit aggression."

While Iraq, as of April 5, has not yet indicated whether or not it will accept the resolution, the Iraqi newspaper *Al Jumhuriyah* termed its "an American resolution designed to impose direct hegemony on the region and control the world's resources and wealth," in its commentary on April 4.

The U.N. war on Iraq systematically destroyed the prerequisites of modern life, not sparing bridges, irrigation pumps, sewage plants, power plants, telephone relay stations, or food production or processing plants or warehouses, and inflicted an estimated \$150 billion in damage to Iraqi infrastructure. Moreover, according to the estimates of Patriarch Raphael Bidawid, the leader of Iraq's Chaldean Catholic community, possibly 500,000 Iraqi civilians and soldiers were killed in the war. Iraq is in no condition to comply with any U.N. demands.

## **Committed to mass murder**

Even a March report by U.N. Undersecretary General Martii Ahtisaari (see page 46) demonstrates that without emergency assistance Iraq faces epidemics and famine. Without a massive airlift of food and medicine, and the restoration of Iraq's sewage and water systems, several other experts estimate, millions of Iraqis will die over the coming months.

Yet, because Iraq might not comply with U.N. demands, or, more likely, to make Iraq an even more horrible example of what happens to those who resist them, the U.N. Security Council is considering further demands of Iraq intended to provide a pretext to reopen the war.

One way the war may be reopened is over the supposed international concern over the repression of Kurdish rebels in northern Iraq. The Kurds are a non-Arab people living in an area that straddles parts of Iraq, Iran, Turkey, and Syria. They had been provoked into revolt by the intelligence agencies of the U.S., Britain, France, Israel, Iran, Turkey, and Syria, as part of the effort to destroy Iraq. The strength of the rebellion and related deaths caused by it appears to be being systematically exaggerated by Western media in order to obscure the real reason for the mass death in Iraq: the U.S. Air Force.

On the same day that the Security Council adopted its demands of Iraq, French President François Mitterrand told the French cabinet that "the political and moral authority of the United Nations" would be badly damaged if the Security Council failed to condemn Iraq's effort to suppress these rebels.

For his part, George Bush told the *New York Times* that day that "I feel frustrated any time innocent civilians are being slaughtered," in reference to the suppression of the Kurdish revolt. Bush said that he did not feel that this supposed slaughter of Kurds demanded a U.S. military response—at this time.

Meanwhile, others are demanding that Saddam Hussein step down as President of Iraq, if Iraq is ever to receive food or medicine again. Following the Security Council resolution vote, British Ambassador Sir David Hannay cited the Kurdish revolt and said, "My government believes it will be impossible for Iraq to rejoin the family of civilized nations while Saddam Hussein remains in power."

# 'The Iraqi people may soon face a further imminent catastrophe'

*On March 20, 1991, United Nations Undersecretary General Martii Ahtisaari released a report on his March 10-17 mission to Iraq to ascertain that nation's need for humanitarian assistance in the aftermath of the war. The report, excerpted below, is addressed to U.N. Secretary General Javier Pérez de Cuellar. A second part of the report on the situation in Kuwait is in preparation.*

Report to the Secretary General on humanitarian needs in Kuwait and Iraq in the immediate post-crisis environment by a mission to the area led by Mr. Martii Ahtisaari, Undersecretary General for Administration and Management, dated March 20, 1991.

## **Introduction**

1. You asked me to travel, as a matter of urgency, to Kuwait and Iraq to assess humanitarian needs there in the immediate post-crisis environment, and to bring with me a team comprising representatives of the appropriate United Nations agencies and programs. . . . I departed from New York on 7 March. The mission assembled at Geneva the following day. . . . The mission traveled to Amman on 9 March and arrived at Baghdad on 10 March.

## **I. Modus operandi in Iraq**

5. The mission began its work immediately upon arrival at Baghdad on 10 March, first linking up with local UNDP and UNICEF representatives and, later that day, meeting with His Excellency Mr. Mohamed Saeed Al-Sahaf, Minister of State for Foreign Affairs, and senior officials of the relevant government departments and of local authorities. Joint working groups were established with the various United Nations specialist members of the mission. These held their first meetings that same evening to establish work programs. Field work was undertaken from 11 to 16 March at various locations in and around Baghdad. A longer field trip was made by a group from the mission, led by myself, to Mosul, 400 kilometers northwest of Baghdad, and I myself also inspected numerous locations in Greater Baghdad. I and members of the mission held meetings with representatives of foreign diplomatic missions at Baghdad and with senior representatives of ICRC [International Committee of the Red Cross]. Members of the mission also met with representatives

of several non-governmental organizations (NGOs) who had made their way to Iraq to see the situation for themselves. I held final meetings in respect of the specialist teams' work with the foreign minister, His Excellency Mr. Tariq Aziz, and with the Minister of State and the participating senior officials, on the evening of 16 March.

6. The Iraqi authorities were fully cooperative in regard to the activities of the five specialist working groups. These dealt with: food and agriculture; water, sanitation, and health; transportation and communications; energy; and refugees and other vulnerable groups. Members were able to inspect all locations and facilities that they had requested to see in the Baghdad area and in several other governorates, and could also engage in independent field research in wholesale and retail markets, and undertake household surveys. However, the government was unable to accede to my request that we visit Souera, Moussayeb, Basra, Nasiriyah and Kirkuk. In respect of some, the problems were said to be logistical; in regard to others, concern for security was conveyed. I expressed regret at our inability to cover the whole country, because it was important that the United Nations should be able to assess the humanitarian needs of the entire population of Iraq in all regions. The authorities also expressed their regret on this subject, and we agreed that locally based United Nations staff would travel to these areas as soon as conditions permitted. It has, however, been possible to infer from information available from various other sources that needs are unlikely to vary greatly from what we ourselves observed, but it is reported that conditions may be substantially worse in certain locations.

## **II. Summary of findings and recommendations in regard to Iraq**

7. A summary of the mission's findings and conclusions is set out below. It is based upon a number of internal working papers, technical annexes, visits to sites and oral reports by mission specialists.

### **A. General remarks**

8. I and the members of my mission were fully conversant with media reports regarding the situation in Iraq and, of course, with the recent WHO/UNICEF report on water, sanitary, and health conditions in the Greater Baghdad area. It

should, however, be said at once that nothing that we had seen or read had quite prepared us for the particular form of devastation which has now befallen the country. The recent conflict has wrought near-apocalyptic results upon the economic infrastructure of what had been, until January 1991, a rather highly urbanized and mechanized society. Now, most means of modern life support have been destroyed or rendered tenuous. Iraq has, for some time to come, been relegated to a pre-industrial age, but with all the disabilities

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*Nothing that we had seen or read had quite prepared us for the particular form of devastation which has now befallen the country. The recent conflict has wrought near-apocalyptic results upon the economic infrastructure of what had been, until January 1991, a rather highly urbanized and mechanized society. Now, most means of modern life support have been destroyed or rendered tenuous.*

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of post-industrial dependency on an intensive use of energy and technology.

9. My mandate was limited to assessing the need for urgent humanitarian assistance. It did not extend to the huge task of assessing the requirements for reconstructing Iraq's destroyed infrastructure, much less, to developmental matters. Accordingly, my report to you, in its several technical sections, seeks with as much exactitude as possible to convey the extent of needs in the primary areas of humanitarian concern: for safe water and sanitation, basic health, and medical support; for food; for shelter; and for the logistical means to make such support actually available. Underlying each analysis is the inexorable reality that, as a result of war, virtually all previously viable sources of fuel and power (apart from a limited number of mobile generators) and modern means of communication are now, essentially, defunct. The far-reaching implications of this energy and communications vacuum as regards urgent humanitarian support are of crucial significance for the nature and effectiveness of the international response.

10. These conditions, together with recent civil unrest in some parts of the country, mean that the authorities are as yet scarcely able even to measure the dimensions of the calamity, much less respond to its consequences, because they cannot

obtain full and accurate data. Additionally, there is much less than the minimum fuel required to provide the energy needed for movement or transportation, irrigation or generators for power to pump water and sewage. For instance, emergency medical supplies can be moved to health centers only with extreme difficulty and, usually, major delay. Information regarding local needs is slow and sparse. Most employees are simply unable to come to work. Both the authorities and the trade unions estimate that approximately 90% of industrial workers have been reduced to inactivity and will be deprived of income as of the end of March. Government departments have at present only marginal attendance. Prior to recent events, Iraq was importing about 70% of its food needs. Now, owing to the fuel shortage, the inability to import, and the virtual breakdown of the distribution system, the flow of food through the private sector has been reduced to a trickle, with costs accelerating upwards. Many food prices are already beyond the purchasing reach of most Iraqi families. Agricultural production is highly mechanized, and much land depends on pumped-water irrigation. Should the main harvest in June 1991 be seriously affected by a lack of energy to drive machines and pump water, then an already grave situation will be further aggravated. As shown below, prospects for the 1992 harvest could, for combined reasons, be in at least as much jeopardy. Having regard to the nature of Iraq's society and economy, the energy vacuum is an omnipresent obstacle to the success of even a short-term, massive effort to maintain life-sustaining conditions in each area of humanitarian need.

## **B. Food and agriculture**

11. Mission members held working sessions with counterparts from the relevant ministries, visited social centers where various vulnerable groups are cared for, agricultural production areas, a seed production center, a veterinary health center and a dairy production unit. The mission noted that Iraq has been heavily dependent on food imports which have amounted to at least 70% of consumption needs. Seed was also imported. Sanctions decided upon by the Security Council had already adversely affected the country's ability to feed its people. New measures relating to rationing and enhanced production were introduced in September 1990. These were, however, in turn, negatively affected by the hostilities which impacted upon most areas of agricultural production and distribution.

12. Food is currently made available to the population both through government allocation and rations, and through the market. The Ministry of Trade's monthly allocation to the population of staple food items fell from 343,000 tons in September 1990 to 182,000 tons, when rationing was introduced, and was further reduced to 135,000 tons in January 1991 (39% of the pre-sanctions level). While the mission was unable to gauge the precise quantities still held in government warehouses, all evidence indicates that flour is now at

a critically low level, and that supplies of sugar, rice, tea, vegetable oil, powdered milk and pulses are currently at critically low levels or have been exhausted. Distribution of powdered milk, for instance, is now reserved exclusively for sick children on medical prescription.

13. Livestock farming has been seriously affected by sanctions because many feed products were imported. The sole laboratory producing veterinary vaccines was destroyed during the conflict, as inspected by the mission. The authorities are no longer able to support livestock farmers in the combat of disease, as all stocks of vaccine were stated to have been destroyed in the same sequence of bombardments on this center, which was an FAO [U.N. Food and Agriculture Organization] regional project.

14. The country has had a particular dependence upon foreign vegetable seeds, and the mission was able to inspect destroyed seed warehouses. The relevant agricultural authorities informed the mission that all stocks of potatoes and vegetable seeds had been exhausted. Next season's planting will be jeopardized if seeds are not provided before October 1991.

15. This year's grain harvest in June is seriously compromised for a number of reasons, including failure of irrigation/drainage (no power for pumps, lack of spare parts); lack of pesticides and fertilizers (previously imported); and lack of fuel and spare parts for the highly mechanized and fuel-dependent harvesting machines. Should this harvest fail, or be far below average, as is very likely barring a rapid change in the situation, widespread starvation conditions become a real possibility.

16. The official program for the support of socially dependent groups of the population (the elderly, disabled, mothers and children, hospital patients, orphans, refugees, etc.) is affected by the overall grave deficiencies in the food situation.

17. The mission had the opportunity to conduct independent research relating to household costs and living standards in Baghdad. Such standards have declined rapidly in the last months, while food and fuel prices have climbed dramatically. Price increases in the August to January period reflected shortages of supply, but since January there has been a further acceleration of price increases reflecting both supply shortages and the breakdown of the transport system. Interviews with private wholesale food distributors revealed that their stocks are near depletion and they no longer have an organized private transport capacity, owing to fuel shortages. The government-initiated rationing system was designed to provide families with a fraction of their basic necessities at prices comparable to those prevailing before August. The system allows families either 5 kilograms per person, per month, of flour or 3 loaves of baked bread; 10 kilograms per family, per month, of liquid cooking gas; 1 bar of soap per person, per month, etc. However, independent surveys conducted by the mission in several diverse areas of Baghdad showed that many families cannot draw their full rations,

since the distribution centers are often depleted and they have great difficulty in traveling to other centers. The quality of food distributed has itself deteriorated to the point of causing health problems. Most families also reported that they could not meet their needs through the private markets. Despite official price controls, the independent market surveys conducted by the mission showed hyperinflation since August. The price of most basic necessities has increased by 1,000% or more. For example, flour is now 5-6 dinars per kilogram (and seemingly still rising); rice has risen to 6 dinars per kilogram; sugar to 5 dinars per kilogram; lentils to 4 dinars per kilogram; and whole milk to 10 dinars. In contrast to this hyperinflation, many incomes have collapsed. Many employees cannot draw salaries, the banking system has in large measure closed down and withdrawals are limited to 100 dinars per month. The minimum monthly wage was 54 dinars and the average monthly salary of a civil servant was 70 dinars. In short, most families lack access to adequate rations or the purchasing power to meet normal minimal standards.

18. The mission recommends that, in these circumstances of present severe hardship and in view of the bleak prognosis, sanctions in respect of food supplies should be immediately removed, as should those relating to the import of agricultural equipment and supplies. The urgent supply of basic commodities to safeguard vulnerable groups is strongly recommended, and the provision of major quantities of the following staples for the general population: milk, wheat flour, rice, sugar, vegetable oil, and tea. These are required to meet minimum general requirements until the next harvest. Safeguarding the harvest means the urgent importation of fertilizers, pesticides, spare parts, veterinary drugs, agricultural machinery, and equipment, etc. The mission was able to quantify many of these needs. The disappearance of vegetables from the country's markets also appears likely by the summer, and seed importation is crucial.

19. The mission observes that, without a restoration of energy supplies to the agricultural production and distribution sectors, implementation of many of the above recommendations would be to little effect. Drastic international measures across the whole agricultural spectrum are most urgent.

### **C. Water, sanitation and health**

20. As regards water, prior to the crisis Baghdad received about 450 liters per person per day supplied by seven treatment stations purifying water from the Tigris River. The rest of the country had about 200-250 liters per person per day, purified and supplied by 238 central water treatment stations and 1,134 smaller water projects. All stations operated on electric power; about 75% had standby diesel-powered generators. Sewage was treated to an acceptable standard before being returned to the rivers.

21. With the destruction of power plants, oil refineries, main oil storage facilities and water-related chemical plants, all electrically operated installations have ceased to function.



*Iraq, a relatively developed and mechanized society, dependent on energy and technology, has been relegated by the war to a "pre-industrial age." Shown here is the laying of oil pipelines in the Euphrates River, before the war. Inset: The Feb. 13 destruction of a civilian air-raid shelter in Amariyah by a U.S. bomber, as shown on television.*



Diesel-operated generators were reduced to operating on a limited basis, their functioning affected by lack of fuel, lack of maintenance, lack of spare parts and non-attendance of workers. The supply of water in Baghdad dropped to less than 10 liters per day but has now recovered to approximately 30-40 liters in about 70% of the area (less than 10% of the overall previous use). Standby generating capacity is out of order in several pumping stations and cessation of supplies will therefore ensue if current machinery goes out of order for any reason (spare parts are not available owing to sanctions). As regards the quality of water in Baghdad, untreated sewage has now to be dumped directly into the river—which is the source of the water supply—and all drinking water plants there and throughout the rest of the country are using river water with high sewage contamination. Recently, the water authority has begun to be able to improve the quality of drinking water by adding more of the remaining stock of alum and chlorine after assurances from UNICEF and ICRC that emergency aid would be provided. Chemical tests are now being conducted at the stations but no bacteriological testing and control is possible because of the lack of electricity necessary for the functioning of laboratories, the shortage of necessary chemicals and reagents, and the lack of fuel for the collection of samples. No chlorine tests are being conducted because of the lack of fuel for sampling. While the water authority has warned that water must be boiled, there is little fuel to do this, and what exists is diminishing.

Cool winter conditions have prevailed until recently.

22. Only limited information is available to authorities regarding the situation in the remainder of the country because all modern communications systems have been destroyed and information is now transmitted and received (in this sector as in all others) by person-to-person contact. In those areas where there are no generators, or generators have broken down, or the fuel supply is exhausted, the population draws its water directly from polluted rivers and trenches. This is widely apparent in rural areas, where women and children can be seen washing and filling water receptacles. The quantity and quality of water produced by treatment centers is very variable and in many locations there are no chemicals available for purification. No quality control—chlorine testing, chemical testing or bacteriological testing—is being conducted.

23. The mission identified the various problems mentioned above: heavy sewage pollution of water intakes; absence or acute shortage of water treatment chemicals, especially aluminium sulphate (alum) and chlorine; lack of power to operate equipment; lack or shortage of diesel to run generators; inability to repair generators because of lack of spare parts; in some instances a total absence of generators; the destruction of some stations; absence of water testing; lack of a health surveillance system in respect of communicable, and, especially, water-borne diseases. A further major problem, now imminent, is the climate. Iraq has long and ex-

tremely hot summers, the temperature often reaching 50° Celsius. This has two main implications: (a) the quantity of water must be increased, and a minimum target of 50 liters per person per day has to be attained (this entails a gross output of 65 liters per person at the source); and (b) the heat will accelerate the incubation of bacteria, and thus the health risks ascribable to the water quality (already at an unacceptable level) will be further exacerbated—especially viewed in the overall sanitary circumstances which have already led to a fourfold increase in diarrheal disease incidence among children under five years of age, and the impact of this on their precarious nutritional status.

24. As regards sanitation, the two main concerns relate to garbage disposal and sewage treatment. In both cases, rapidly rising temperatures will soon accentuate an existing crisis. Heaps of garbage are spread in the urban areas and collection is poor to non-existent. The work of collection vehicles is hampered by lack of fuel, lack of maintenance and spare parts, and lack of labor, because workers are unable to come to work. Incinerators are, in general, not working, for these same reasons, and for lack of electric power. Insecticides, much needed as the weather becomes more torrid, are virtually out of stock because of sanctions and a lack of chemical supplies. As previously stated, Iraqi rivers are heavily polluted by raw sewage, and water levels are unusually low. All sewage treatment and pumping plants have been brought to a virtual standstill by the lack of power supply and the lack of spare parts. Pools of sewage lie in the streets and villages. Health hazards will build in the weeks to come.

25. As regards health conditions, the mission reviewed the situation since the special joint WHO/UNICEF mission in February 1991. It found that the recommendations made in that report (S/22328), subsequently approved by the Security Council Committee established by Resolution 661 (1990) concerning the situation between Iraq and Kuwait, were well-founded. The mission also identified any further immediate health problems that needed to be addressed over the next three to six months. It also identified constraints that hamper the implementation of the already-agreed recommendations of the joint mission. It found that health conditions in Baghdad and throughout the country remain precarious. A major factor is the water and sanitation situation described above. Additionally, the total lack of telephone communication and drastically reduced transport capability pose other problems to the health system since basic information on communicable diseases cannot be collected and disseminated, and essential drugs, vaccines, and medical supplies cannot be distributed efficiently to the country. Mission health experts therefore focused especially on control and prevention of communicable diseases; water quality control; and logistics support for an effective distribution system from Baghdad to outlying regions of vaccines, drugs and medical supplies, as well as infant formula.

26. There is an urgent need to establish a national surveil-

lance and reporting capacity for communicable diseases. This would require the establishment of sentinel sites that can test for the major communicable diseases, as well as the capacity to collate and analyse resulting data on a national scale in a timely manner. Communications, functional laboratories, including necessary chemicals and reagents, and transport and power resources are essential to provide for this emergency humanitarian need. The question of water quality control has already been described. The fourfold increase in incidence of diarrheal diseases amongst young children reported by the WHO/UNICEF mission has been reconfirmed by findings recently obtained in 11 sentinel sites in Baghdad. The water and sanitation situation contributes to this problem which must be expected to increase as the summer approaches. The mission concluded that a catastrophe could be faced at any time if conditions do not change. It assessed the detailed requirements for water quality control. As for logistics, this sector is at present especially affected by the same problems that exist in the rest of society.

27. The mission's recommendations regarding water, sanitation and health, on an urgent humanitarian basis, are as follows:

(a) For water, needs have to be calculated in such a way as to permit a minimum quantity of safe water through the hot season from April to September. Assistance, similar to that approved earlier, should be provided to cities outside Baghdad, including the necessary quantities of fuel for generators and transport; lubricants for engines; aluminium sulphate; chlorine; generators for water stations; skid-mounted river water treatment units; chemical dosing pumps; gas chlorinators; pump sets; spare parts; collars for water pipes; and reagents for chemical tests;

(b) For sanitation needs, these include: fuel and spare parts for garbage collection trucks, as well as insecticides; fuel and spare parts for the sewage disposal system (all of which is mechanical and imported); and hoses for drawing water with tanker-trucks;

(c) As regards medical needs, the mission concluded that a number of items were essential to deal with urgent humanitarian needs and established requirements. They include the provision of essential drugs and vaccines, as approved earlier, on a more extended scale, chemicals and reagents, generators, battery-operated incubators, means of alternative communication, requirements for the reinstatement of the cold chain for vaccines, and some vehicles;

(d) Without fuel, power, and communications, the needed measures indicated above could, however, prove more or less ineffectual. Estimates of related fuel requirements have been made by the mission.

#### **D. Refugees and other vulnerable groups**

28. Conditions described above affect the whole population of Iraq and, most especially, low-income groups. The mission paid particular attention to the plight of especially

vulnerable groups, whether Iraqi or non-Iraqi. Thus, it found that care for orphans, the elderly, and the handicapped had been in many instances disrupted, with residents of institutions having had to be moved and regrouped at various locations. It recommends the urgent implementation of a humanitarian program aimed at enabling some 25 orphanages and 71 other social welfare centers to resume their normal activities and at providing their beneficiaries with essential relief supplies, and specifies essential inputs for this purpose.

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*The Iraqi people may soon face a further imminent catastrophe, which could include epidemic and famine, if massive life-supporting needs are not rapidly met. The long summer, with its often 45 or even 50° temperatures (113-122° Fahrenheit), is only weeks away. Time is short.*

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29. As regards the displaced and the homeless, the authorities themselves have not yet been able fully to assess the impact of the recent hostilities. They have, however, calculated that approximately 9,000 homes were destroyed or damaged beyond repair during the hostilities, of which 2,500 were in Baghdad and 1,900 were in Basra. This has created a new homeless potential total of 72,000 persons. Official help is now hampered by the conditions described throughout this rd, especially, a virtual halt in the production of local building materials and the impossibility to import. The input of essential materials should be permitted.

30. The mission was unable, in the time available and having regard to the incomplete data in the hands of the authorities, to ascertain the number of foreign workers of Arab and other nationalities still resident in Iraq. It has been estimated that approximately 750,000 were still present in January 1991. It can at this stage be no more than a matter of surmise whether a number of those remaining may be in need of support to return to their countries of origin.

31. Some 64,000 Iranian nationals, protected under either the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War of 14 August 1949, or the 1951 Convention relating to the Status of Refugees, had previously resided in three camps in Iraq. There has been substantial dislocation of some of these persons. Others have indicated their desire for repatriation. Limited relief assistance is urgently needed for some of those who have been obliged to leave one of the camps. Additionally, some 80,000 Palestinians are resident in Iraq, including a group of 35,000 considered as refugees benefiting from the protection of the

Iraqi government. It has been reported that several hundred Palestinians have recently come to Baghdad from Kuwait and are now in need of emergency assistance. Certain measures have been developed to provide urgent assistance to those most in need.

#### **E. Logistics: transportation, communications and energy**

32. The mission examined transportation, communications and energy facilities, as it increasingly emerged that adequate logistics and energy would be essential to support and make effective emergency humanitarian assistance.

33. As regards transportation, the fact that the country has been on a war footing almost continuously since 1980 has undermined its capacity. At present, Iraq's sole available surface transport link with the outside world is via Amman to Aqaba. (It has been reported that a bridge has recently been destroyed on the Iskenderun/Morsin road to Iraq from Turkey; and the ports of Basra and Umm Qasr are currently out of use; nor has there for some years been any direct cargo traffic to Iraq via the Syrian Arab Republic.) Internal transportation by road is now severely affected by a lack of spare parts and tires and, above all, by a lack of fuel. Some internal railway capability still exists on the Baghdad-Mosul line. The mission was informed that a total of 83 road bridges had been destroyed and a number were inspected.

34. As regards communications, the mission was informed that all internal and external telephone systems had been destroyed, with the exception of a limited local exchange in one town. It had the opportunity to inspect a number of war-damaged or -destroyed facilities and experienced for itself the situation in the Greater Baghdad and other urban areas. Communication in Iraq is now on a person-to-person basis, as mail services have also disintegrated.

35. The role of energy in Iraq is especially important because of the level of its urbanization (approximately 72% of the population lives in towns), its industrialization, and its prolonged, very hot, summers. Pre-war energy consumption consisted of oil and refined products (85%), electricity (14.8%), and other sources (0.2%). About 30% of electric power generation was hydro-power. Bombardment has paralyzed oil and electricity sectors almost entirely. Power output and refineries' production is negligible and will not be resumed until the first repair phase is complete. The limited and sporadic power supply in some residential areas and for health facilities is provided by mobile generators. There have, officially, been virtually no sales of gasoline to private users since February. The mission was told that the only petrol, oil and lubricants (POL) products now available are heating oil (rationed to 60 liters per month, per family) and liquefied petroleum gas (LPG), which is rationed to one cylinder per month, per family. The authorities stated that stocks of these two products are close to exhaustion and that their distribution is expected to cease within the next 2-4 weeks. While work is under way to clear sites and assess damages,

lack of communications and transport is retarding this activity. Initial inspections are said to show that necessary repairs to begin power generation and oil refining at minimal levels may take anywhere from 4 to 13 months. Minimal survival level to undertake humanitarian activities would require approximately 25% of pre-war civilian domestic fuel consumption. Its absence, given the proximate onset of hot weather conditions, may have calamitous consequences for food, water supply and for sanitation; and therefore for health conditions. It seems inescapable that these fuel imports must take place urgently, and units and spare parts will also be required to enable Iraq to meet its own humanitarian needs as soon as possible. Under optimal circumstances it would be difficult or impossible for such needs to be provided from other sources given all the circumstances of that country's economy and social conditions, and bearing also in mind the limited bulk transportation possibilities that are likely to exist for the foreseeable future.

36. During my final meetings in Baghdad on 16 March I made reference to the need to be able to assess the effective utilization of all inputs that might in future be established under the responsibility of the United Nations. The government assured the mission that it would accept a system of monitoring of imports and their utilization.

#### F. Observation

37. The account given above describes as accurately as

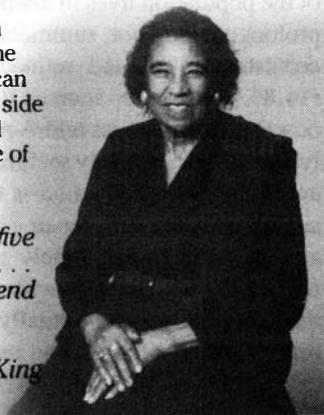
the mission has been able, using all sources, including much independent observation, to ascertain the situation, which, within the time available and the travel limitations referred to earlier, was perceived to exist in regard to urgent humanitarian needs in Iraq during the week of 10-17 March. I, together with all my colleagues, am convinced that there needs to be a major mobilization and movement of resources to deal with aspects of this deep crisis in the fields of agriculture and food, water, sanitation and health. Yet the situation raises, in acute form, other questions. For it will be difficult, if not impossible, to remedy these immediate humanitarian needs without dealing with the underlying need for energy, on an equally urgent basis. The need for energy means, initially, emergency oil imports and the rapid patching up of a limited refining and electricity production capacity, with essential supplies from other countries. Otherwise, food that is imported cannot be preserved and distributed; water cannot be purified; sewage cannot be pumped away and cleansed; crops cannot be irrigated; medicaments cannot be conveyed where they are required; needs cannot even be effectively assessed. It is unmistakable that the Iraqi people may soon face a further imminent catastrophe, which could include epidemic and famine, if massive life-supporting needs are not rapidly met. The long summer, with its often 45 or even 50° temperatures (113-122° Fahrenheit), is only weeks away. Time is short.

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by Amelia Platts Boynton Robinson

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by Gen. Teng Chieh

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# U.S.-Pakistan relations: looking for new equilibrium

by Susan Maitra and Ramtanu Maitra

Following the Gulf war, U.S. relations with Pakistan have undergone a subtle change. The war, which saw Pakistani Army chief Mirza Aslam Beg taking a strong pro-Iraq stance, aggravated further the already strained relationship between the two countries. Last fall, Washington suspended \$576 million in economic and military aid to Pakistan, due to the suspicion that Pakistan is clandestinely developing a nuclear arsenal. But the total military defeat suffered by Iraq at the hands of the multinational forces, and his ambivalent position during the crisis period, have helped Pakistan Prime Minister Nawaz Sharif to bring U.S.-Pakistan relations onto a friendlier track, and at the same time, use the renewal as a trump card to score points over both the bureaucracy and the Army.

After a series of depressing signals about the two countries' relationship, the first positive statement came from U.S. Assistant Secretary of State Henry S. Rowen. "Pakistan remains an important factor in maintaining south Asian regional stability," Rowen said in his testimony before a U.S. Senate committee in early March. "Pakistan can also contribute importantly to our interests in post-crisis security arrangements for the Gulf." Indicating the role that Washington wants Pakistan to play, Rowen said that, as a conservative Muslim state with longstanding military relations with the Gulf nations, Pakistan has an important place.

On the heels of this statement, which amounts to a demand from Washington that Pakistan supply mercenaries in the Gulf to protect U.S. interests, another unexpected statement coming from the Bush administration pleased Prime Minister Sharif greatly. The news that the White House has certified that Pakistan's anti-narcotics policies are in step with the provisions of the U.S. Anti-Drug Act of 1988, made U.S. Ambassador Robert Oakley "eat crow." Oakley, who had been extremely critical of the Sharif administration's handling of the illegal heroin trade, quickly cited the exemplary efforts of the Sharif regime in curbing drug trafficking.

## U.S. opposes nuclear program

These two events, no doubt, have helped to thaw the frosty U.S.-Pakistan relations. But at the same time, it would

be wrong to read too much into them. The U.S. decision to withhold the \$576 million economic and military aid for fiscal year 1991, following President Bush's inability to certify before the Senate that Pakistan is not clandestinely building nuclear weapons, and the subsequent cut of aid dollars by more than 50% for fiscal year 1992, will continue to act as thorns between the two. Besides, Washington's continued opposition to Pakistan's commercial nuclear power development program is a major irritant. In addition, the U.S. Navy's intelligence report, presented to the U.S. Congress in March, cited Pakistan as one of the nations "believed to possess" chemical weapons, while the French decision to abruptly call off the promised supply of a 900 megawatt reactor to Pakistan has been construed in Pakistan as Washington's handiwork.

Nonetheless, the conciliatory gestures by Washington have helped Prime Minister Sharif assert himself domestically. His decision to oust Maulana Abdus Sattar Khan Niazi, the minister for local government and rural development, because of his pro-Iraq stance, pleased the Americans. But more importantly for Prime Minister Sharif, Maulana Niazi was the biggest promoter of the Shariat Bill, which is still hanging fire in the National Assembly because of the prime minister's intransigence. In other words, Prime Minister Sharif "got two birds with one stone."

Sharif has also now challenged the authority of President Ghulam Ishaq Khan, the undisputed leader of the bureaucratic power in Pakistan. The prime minister's decision to rather unceremoniously oust a defense adviser and close associate of President Ishaq Khan, Ijlal Haider Zaidi, speaks of his growing clout. Zaidi, who was for many years defense secretary general before he retired during Benazir Bhutto's regime, was told to quit following the presentation of a report by the minister of works on the shoddy construction of the Lahore Airport runway. Implicated directly for taking bribes, Zaidi was accused of approving the shoddy work.

The resignation of Foreign Minister Yaqub Khan, ostensibly under pressure from the pro-Saudi Jamaat-e-Islami, an active factional group within the ruling IJI coalition party, has also created an environment in which both the President

and prime minister are seeking to put their own candidate up for the job.

### **Beg in a corner**

In his open confrontation with the Army top brass led by Gen. Mirza Aslam Beg, the prime minister has so far come out ahead. From all indications, General Beg, who is scheduled to retire by the middle of this year, will not be asked to continue any longer. Prime Minister Sharif and General Beg were openly involved in a tiff when the prime minister took exception to Beg's statement that his government is not responding to people's wants. General Beg's open support for Iraq in its war against the multinational forces has isolated him from the mainstream and given Sharif an added advantage.

However, a key tussle is developing over who will be the successor of General Beg as the Army Chief of Staff. While Beg has lent his support to a general who, like him, is an immigrant from undivided India, Sharif is using the age-old Punjabi card to counter General Beg's moves.

There is hardly any doubt that Washington will be pleased if Prime Minister Sharif succeeds in selecting his own general as the Army Chief of Staff and, in the process, removes the influence of Beg from the top echelon. General Beg is widely considered as highly critical of the United States, and he espouses the concept of developing a security system in the region which would specifically exclude the United States and consist only of Islamic states.

### **The prime minister cashes in**

What immediately pleases the United States is Prime Minister Sharif's unwavering promotion of the free market economy. During his five-month-old tenure, Sharif has already made a mark in ushering in privatization and an atmosphere most suitable for private investments. The prime minister has already deregulated the foreign capital market, privatized 115 state-owned businesses—which will include banks—and encouraged private investment in transport, communications, and energy. Exchange controls have been eased and Pakistanis can now operate foreign currency accounts in local banks with no questions asked.

Being the scion of one of the top industrial houses of Pakistan, Prime Minister Sharif has little love lost for the inefficient public sector units. Besides, he hopes that by selling off these units, at least a chunk of the \$30 billion in government assets sunk in the public sector enterprises, he will be able to reduce the budget deficits, a demand of the International Monetary Fund, and even help to service the massive domestic debt which now eats up almost 30% of the country's annual budget.

All the moves, otherwise known as fiscal and financial reforms, that Prime Minister Sharif has made, earned kudos from the International Monetary Fund and World Bank. However, these reforms, if implemented to the full, will create short-term as well as long-term problems. In the short term, for

example, laborers will challenge the prime minister. There are about 300,000 workers associated with the public sector enterprises, and they have already expressed their displeasure over the privatization scheme. It is likely that a period of industrial labor unrest is in the offing in Pakistan.

Moreover, the reforms that Prime Minister Sharif has hastily announced are primarily promotion of liberalization

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*There is hardly any doubt that Washington will be pleased if Prime Minister Sharif succeeds in selecting his own general as the Army Chief of Staff and, in the process, removes the influence of Beg from the top echelon.*

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of market forces. This will also encourage foreign investment in large doses. But since Pakistan is already an over-indebted nation, domestically and abroad, by encouraging it to incur more debt at high interest rates, through dollar bank deposits and dollar bearer certificates, this may create massive balance of payments problems. It will, however, enable the government to use the narco-dollars which can now be deposited in Pakistani banks with no questions asked.

Besides the economic problems which the prime minister has embraced wholeheartedly under the influence of the IMF, he is also expected to continue facing dissension within the country. It is naive to assume that the power "troika" so assiduously built up in Pakistan since the 1960s, will collapse like a house of cards before the challenge of the IJI. The recent hijacking incident at Changi Airport in Singapore gives a clue of things to expect. The hijacking, blamed on the Pakistan People's Party (PPP), is a mystery, and in all likelihood, will remain so forever. The hijackers, four of them, were all killed. All the hijackers had false identification. There are reasons to believe that Pakistani intelligence was involved in it, but it is not clear who was sending what message to whom.

It is also widely stressed in Pakistan that years of friendly relations with the United States, which provide the latter opportunities to tinker with Pakistani internal politics, have done little to stabilize Pakistan's political process. The United States has used Pakistan to shore up its geopolitical interests vis-à-vis the exigencies of the Cold War. In the present context, however, it is difficult to fathom what role Pakistan can play, considering the post-Gulf war situation, when all major Islamic nations have become increasingly dependent on the United States. Notwithstanding what the U.S. assistant secretary of state told the senators, it is becoming difficult to clearly define U.S.-Pakistan relations in the present context.

# Old lineups persist in new Italian crisis

by Leonardo Servadio

The Italian government has gone into crisis again. By the time you read this, the crisis could have been resolved either with the creation of a new government, or with the calling of early elections (the normal end of the legislative term should be next year); or it might still be unresolved.

It is definitely significant that the crisis exploded into the open March 23-24, when Prime Minister Giulio Andreotti was in Washington, meeting President Bush. During the Gulf war Italy was, with Germany, the country in the anti-Iraq coalition which most tried to stall on Bush's policy—and the country whose government representative was the last to be received by Bush. Previously Bush had refused to receive Italian Foreign Minister Gianni De Michelis, although he was one of the most outrageously pro-war spokesmen in Italy.

In an interview run by the Catholic daily *Avvenire* on March 27, Andreotti said he had told President Bush: "I wished him to be able to solve some of the problems which have been unsolved for years and to which he solemnly committed himself in his Oct. 1, 1990 U.N. speech, when he explicitly mentioned Lebanon and Palestine. With their predominant forces the Americans have kept the U.N. from failing again in Kuwait. Now the rule is: one weight, and one measure. The U.N. must become the real leader of international security and Bush must have the historic recognition" of being responsible for that.

This is diplomatic language for saying that now it is expected that the Lebanese crisis be solved, a home be found for the Palestinians, and all the U.N. resolutions be enforced, not only those aimed at protecting Anglo-American interests in the Middle East. The Italian press did not report any comment by the White House after the meeting.

## Cossiga makes his move

While Andreotti was in the U.S., President Francesco Cossiga took the unusual step of speaking out on politics (the President of the Republic in Italy has no executive powers and is institutionally out of the political game), by denouncing maneuvers against his presidency carried out by "financial interests" and by certain press, meaning financier Carlo De Benedetti, his daily *La Repubblica*, and the weekly *L'Espresso*, which have been criticizing him for months. The other group which attacked Cossiga was the PDS, the ex-Communist Party. All these groups had denounced President

Cossiga as connected to the "Propaganda-2" Masonic lodge of Licio Gelli, which was at the center of innumerable scandals throughout the 1980s.

To the Communists' and *La Repubblica*'s dismay, Cossiga went on the offensive. He declared that he knows a few of the P-2 members and that they are honorable persons. Cossiga even proposed to reward the 622 Italians who were on the list of Operation Gladio, the code-name for a group of civilians who were kept ready to undertake action in case of Soviet invasion of Italy, and accused by the Communists of involvement in illegal, anti-communist operations. When a parliamentary delegation showed up to question Cossiga on Gladio, the President presented the PDS ex-Communists in the delegation with pieces of the Berlin wall!

After the Communist Party changed its name to "PDS" (Democratic Party of the Left), it was supposed to join the list of parties eligible for government. But this did not happen. The rub was that of all the Italian political parties, the PDS was the most against the war in the Gulf. This stirred up old tensions between the PDS and the other parties, which have all been, in varying degrees, favorable to the Gulf intervention.

In his public statements Cossiga underlined that the President of the country is not just a "notary" maneuvered by the Parliament (one-third of the Italian Parliament is in the Communist sphere of influence). This attitude was interpreted by many as "presidentialist," which in Italy is anathema, especially for the Communists and for the Christian Democrats: Italy is a parliamentary republic and the "executive" is nominated by the Parliament and is under parliamentary control.

Bettino Craxi, the Socialist leader, was all for Cossiga, because his party is proposing a constitutional change to transform Italy into a "presidential" republic, like France or the United States.

The crisis was formally opened Friday, March 29, when Socialist Party leaders declared that they wanted a "thorough" change in the government composition. In reality, the Socialists want early elections, in which they hope to exploit the PDS's present difficulties to gain votes. Officially, neither the PDS nor the Christian Democracy favors early elections. But behind the scenes, the PDS might want to support the Socialists if they promise to form a coalition with the PDS, and without the Christian Democrats, after the new elections. It is highly unlikely, but not impossible.

Cossiga has insisted in public speeches that after the fall of communism in the East, things shall change also in Italy, where politics have been dominated by the Christian Democratic versus Communist dichotomy. But now that the PDS has gone back to old "communist" policy, looking more and more anti-American, while the Socialists look more and more pro-American, and the Christian Democracy wavers between these two—just as it has for the past 40 years—how will things change?

## There's an uprising in the Bush

*The elites are running scared, as political opposition mounts and farmers dump dead sheep at the U.S. consulate.*

The rural-based activist Citizens Electoral Councils (CECs) released, nine months ago, a document titled "Sovereign Australia: An Economic Development Program to Save Our Nation," developed in conjunction with *EIR*. Since then, "The Program," as it is known, has gone through three printings and has traveled like wildfire across the country, during the same period that the rural economy has been collapsing at a faster rate than that of the other Anglo-American basket cases, the United States and Britain.

This explosive convergence was no doubt responsible for what seemed to many to be an "overreaction" by the country's second leading newspaper, *The Age*, on March 23. The Melbourne-based newspaper issued a full-page attack against "The Program," the LaRouche movement, the CECs, and several individuals. Titled "Seeds of Unrest," the article raves: "Farright groups in the Bush are following a new Messiah who believes in God, the family and that Henry Kissinger is a KGB spy."

Sources describe the slander as having "all the markings of a Mossad-Australian Security Intelligence Organization snow job." Indeed, the main source for the slander against LaRouche is Mira Lansky Boland, who heads the Washington office of the Anti-Defamation League and worked for the CIA before being given the ADL job. A second source is Dennis King, author of a book against LaRouche whose production was funded by a CIA conduit, the Smith Richardson Foundation.

But the slander against LaRouche pales by comparison to the author's outburst against the fact that the CEC program is calling for citizens' initiated referenda on crucial policy issues. The possibility that Australians will take responsibility to determine government policy clearly has the power structure up in arms.

Writes *The Age*: "At the heart of the Citizens' Electoral Councils' political program in Australia is citizens' initiated referendums. . . . It would be possible, through referendums, to sack politicians and even governments. . . . CIRs have attracted a big following in recession-wracked rural Australia, where people are increasingly disillusioned with mainstream politics."

This "disillusionment" was manifest, for example, on March 18; just as commuters began to head into the largest city in Western Australia, Perth, farmers began dumping dead sheep at targeted locations, including the U.S. consulate, the Australian taxation office, and the state parliament. Three days before, farmers abandoned 14 trucks at strategic points on approaches into Perth, to highlight the farm crisis, causing massive transport dislocation.

Koehler, a CEC leader from the state of Queensland and one of the authors of "The Program," filled out the picture further in an interview recently. He noted that "The Program" had been given out to all members of Parliament, whose response was generally negative. He described a recent meeting he had with one parliamentarian, however, that was a little differ-

ent: "I think he ended up hearing me. . . . He had read 'The Program' already, but had bought some of the line that we are just right-wing crazies. I told him straight—that the country was headed for *civil war*. I wasn't kidding him."

Koehler characterized the mood in the country by describing a meeting he recently attended. Asked to give party affiliation, the crowd of about 300 broke down thus: Twenty considered themselves part of Prime Minister Hawke's ruling Labour Party; 20 reported affinity to the opposition coalition National-Liberal Parties; 260 said they were independents.

The Australian press acknowledges that in "the Bush," most people don't think their fate is going to get better. The same newspaper that is so worried about LaRouche and the CECs reported April 2 that sheep farmers are facing the most serious slump since World War II. *The Age* quotes predictions by the federal Bureau of Agricultural and Resource Economics that rural cash incomes, likely to be down by 59% this financial year, will plummet by a further 30% in 1991-92.

Another daily, *The Australian*, reported on a survey conducted in the state of Victoria (in which Melbourne is the largest city). The survey, in which 100 small businesses across Victorian country towns and regional centers were polled, concluded that most small businesses are struggling to survive, and that few believed that it was possible. Only 4 of the 100 reported a growth in sales. A federal National Party parliamentarian, Peter McGauran, told *The Australian* that although the survey was conducted in Victoria, the situation was also extremely bad in rural Western Australia, Tasmania, South Australia, Western New South Wales, and Western Queensland.

## What chutzpah!

*While the Bushmen are moving to annex the country, their three puppets are playing spy against each other.*

A man is said to have *chutzpah* who kills his parents and pleads the mercy of the court because he's an orphan. Well, the Bush administration's most recent doings here are *chutzpah* to perfection.

On March 21, Sen. Larry Craig (R-Id.) introduced a concurrent resolution calling on George Bush to renegotiate the Panama Canal Treaties to maintain a U.S. military presence there, "because the Republic of Panama has dissolved its defense forces and has no standing army, or other defense forces, capable of defending the Panama Canal from aggressors, and therefore, remains vulnerable to attack both from inside and outside of Panama." First the U.S. arm-twists Panama into disarming itself, then a resolution is submitted to Congress that "calls on President President George Bush to renegotiate the Panama Canal Treaties, to permit the United States Armed Forces to remain in Panama beyond Dec. 31, 1999, and to permit the U.S. to act independently to continue to protect the Panama Canal."

The concurrent resolution, introduced in the House by Rep. Philip Crane (R-Ill.), is backed by Senate Minority Leader Bob Dole, which means the Bush White House is also behind it.

The dismantling of Panama's Defense Forces (PDF) began with the 1989 invasion, under the supervision of then-Commander of U.S. Army South Gen. Marc Cisneros. The PDF "needed an enema," Cisneros told the *Los Angeles Times* of Jan. 20, 1990. Cisneros did not hide his contempt for all Panamanians. "They need to have a little infusion of Anglo values," he said. Six months after the invasion, on May 24, Cisneros

said that Panama "does not have to worry about being invaded by anyone. . . . I don't believe there is any need for an army here."

At the time, the foreign minister of the U.S.-installed government, Julio Linares, admitted that there was little Panama could do to resist. "It is an undeniable truth that Panama has been a country occupied by the Army of the United States since Dec. 20," he said. According to the May, 29, 1990 *La Estrella*, Linares said the U.S. was demanding the right for its "Coast Guard to patrol Panama's territorial waters."

When Panama finally signed the accord surrendering sovereignty of its territorial waters to the U.S. Coast Guard on March 18, 1991, it was not reported that Panama had been pushed into it. Instead, an AP wire published the next day in London's *Financial Times* claimed that the U.S. had agreed to "help in patrolling" Panama's waters, because "Panamanian officials have complained that lack of patrolling capacity has given rise to an increase in illegal activity." The agreement grants the Coast Guard the right to patrol Panamanian coasts under the Panamanian flag, making the government of Panama liable for any illegal boardings or acts of war against third countries by the U.S. Coast Guard.

On March 21, U.S. puppet President Guillermo "Porky" Endara proposed a number of constitutional amendments to Panama's legislature to forever abolish Panama's right to an army. By historical coincidence, on the very same day, U.S. Senator Craig and Representative Crane were submitting their resolution.

Although he has agreed to virtually every other U.S. demand, Endara, for who-knows-what reasons, is stubbornly insisting that he will never agree to any changes in the Canal Treaties to allow the U.S. to stay in Panama.

That's why some believe the U.S. has instigated a fight between Endara and his chief coalition partners, the Christian Democratic Party of First Vice President Ricardo Arias Calderón. The aim is to replace the ruling troika with a government headed either by Second Vice President Guillermo "Billy" Ford, or by Gabriel Lewis Galindo, a longtime business associate of Colombia's former President and drug cartel spokesman Alfonso López Michelsen.

On March 26, Endara said his private phone line, on which he discusses "the most confidential matters of government," had been tapped. This, he said, was discovered by a "foreign expert" employed by the CIA-trained Panamanian National Security and Defense Council (Conasepuden). Endara did not say who was tapping his phones, but pro-Endara spokesmen charged it was being done by a "psychological warfare expert of the Christian Democratic Party" of Arias Calderón.

Apparently in retaliation, agents of the Institutional Protection Service (SPI, which most people in Panama pronounce "spy"), another CIA-trained force run out of the presidency, raided a safehouse of the Public Force, which is under Arias Calderón, who is also Minister of Government and Justice.

Earlier, published reports charged that the number of phones tapped illegally under the Endara regime is as high as or higher "than under the military dictatorship of Gen. Manuel Noriega." The reports said that the wire-taps are being monitored by the Conasepuden, which is nominally under Endara, out of safehouses at the U.S.-controlled base at Fort Amador.

# International Intelligence

## **Stasi trained terrorists to kill NATO officials**

The former East German secret police, the Stasi, trained German terrorists for assassinations of NATO and other officials in the West, at special shooting ranges in East Germany in the late 1970s and early 1980s. This was documented by the German "Monitor" television program on March 26, providing additional proof of what *EIR* has long maintained.

The four terrorists of the core group of the Red Army Faction—Inge Viett, Christian Klar, Adelheid Schulz, and Helmut Pohl—were trained in the use of all kinds of firearms and explosives. They also received instruction, in the spring of 1981, in the use of the hand-held Soviet RPG-7 anti-tank weapon which was used in the failed assassination attempt on NATO Gen. Frederick Kroesen in September 1981.

The Stasi-trained terrorist group is said to have rehearsed the heavy bomb attack on the U.S. Air Force base at Ramstein in August 1981.

The revelations were confirmed at a press conference in Karlsruhe by Federal Prosecutor Alexander von Stahl.

## **Japanese unhappy with Anglo-American rule**

Frictions between the United States and Japan have intensified in the aftermath of the Anglo-American war in the Gulf. "If there's anything Japan has learned the hard way from the Gulf crisis, it's the realization that Japan can't continue to be so miserably dictated to by Washington," wrote Masuhiko Ishizuka of the newspaper *Nihon Keizai Shimbun*, in a commentary published March 16. "Self-assertion and true independence in formulation of foreign policy have been utterly absent for too long."

The crux of the problem, Ishizuka said, is the "feeling of dismay" in Japan over the "relentless use of military power by the U.S.

... The Anglo-American decisiveness in the use of military power—their belligerence—is disquieting and questionable. Many hesitated to call it a just war, with the massive bombing appearing less of a 'sacred mission' than an exercise in self-righteousness and arrogance."

The commentary was printed in the English edition of the newspaper, indicating that it was definitely meant for Anglo-American ears.

Meanwhile, in New York City, Masami-chi Hanabusa, the Japanese consul general, blamed the United States for the Persian Gulf crisis, during a press conference in mid-March. "It is your fault," he said. "You caused the problem" by continuing reliance on imported oil.

As for Japan, Hanabusa had told *Business Week* in January, "Experiences tell us that whoever controls oil will be prepared to sell it. We are prepared to pay." For this reason, Japan, he implied in his press conference, does not see that the United States did it a favor by going to war against Iraq.

Furthermore, Hanabusa said, the \$10.7 billion Japan has pledged to contribute to the "war effort" is "very much enough."

## **Top 'disinformation' prize goes to the BBC**

The British Broadcasting Corp. secretly edited a film on British pilots captured by Iraq to try to show that they had been "tortured," according to the March 15 issue of the British satirical magazine *Private Eye*.

"Top marks for disinformation during the Gulf War go to the BBC and Ministry of Defense for their coup over the pictures of the two captured Tornado pilots, Flt. Lts. John Peters and Adrian Nichols," according to the article. "The two were paraded on Iraqi television. . . . The way in which BBC and the MoD used the film skillfully suggested that the two men had been tortured into saying what the Baghdad police wanted them to say. The press responded loyally, headed by the *Daily Star*, which proclaimed:

'The Bastard Is Torturing Our Boys!' Blanket press coverage of the battered faces of the two pilots swung huge numbers of skeptical people behind the allies.

"It was only after the war was over that Flt. Lt. Peters' wife, Helen, disclosed that the film had been secretly edited by the BBC. A copy of the complete, unedited film had been handed to her by the BBC at the time, on condition she kept quiet about it. On the un-broadcast part of the tape, Peters sent his love to his wife and children, and told them not to worry about his bruises. They had, he said, been collected when he had ejected from his aircraft and landed head-first in the desert. (Such injuries are very common when pilots eject.) 'He was not so traumatized as we thought—says Mrs. Peters—he was answering questions logically and sensibly. He just didn't look like he had been beaten.' Yet the Ministry (and the BBC), knowing the pilots had not been tortured, cheerfully told the media that they had been—and the media unanimously passed on the bad news."

## **Tennenbaum warns Brazil on Bush's new order**

Dr. Jonathan Tennenbaum, director of the Fusion Energy Forum in Germany and a frequent contributor to *EIR*, toured Brazil in mid-March, speaking before economists, scientists, engineers, and government officials. He briefed them on the prospects for pulling the world out of its economic breakdown crisis, and on the efforts of the Anglo-American establishment to implement a fascist new world order.

On March 17, the Brazilian newspaper *Jornal do Comercio* published an article by Tennenbaum, titled "Technological Apartheid and the North-South Conflict." In it he described the plan for making Europe into an economic superpower—i. e., the "Productive Triangle" conception of Lyndon LaRouche—and pointed out that "the natural partners for this European economic superpower are the developing nations, partic-

## Briefly

ularly countries such as Brazil, which have the capacity to absorb and develop the most advanced technologies. An economic alliance between Brazil and continental Europe would be the key to launch a new era of development on the South American continent."

In an attempt to prevent the development of strong economies in the developing sector, the Anglo-Americans have declared a policy of "technological apartheid" against the South, he wrote.

Tennenbaum proposed "1) an economic alliance between Brazil and continental Europe; and 2) reestablishing the principle that the fruits of scientific and technological progress belong to humanity as a whole and not just to a tiny racist elite, which wants to face the 21st century with the methods of 19th-century British colonialism."

### ***Bolivia invites in U.S. special forces***

Following threats by the Bush administration to cut off at least \$66 million in aid to impoverished Bolivia, the government of President Jaime Paz Zamora has agreed to implement controversial measures allegedly designed to fight drug trafficking. Those agreements with the United States, dating back to May 1990, state that if the Bolivian Army participated in the anti-drug war, it would receive part of a \$33 million package of military aid. Bolivia is a major producer of coca, the raw material for making cocaine.

The measures provide for the training of two Army battalions, over 1,000 soldiers, by U.S. "special forces." By mid-March, 10 of those U.S. advisers had arrived in Bolivia, with another 100 to follow. On March 29, Paz Zamora asked the Bolivian legislature to authorize Army training in fighting cocaine trafficking. This is expected to be approved, despite widespread opposition by political, labor, and other circles, who consider it a violation of national sovereignty.

The targeting of Bolivia follows a similar scenario that was employed in Peru last year, where CIA-linked mercenaries associated

with Oliver North and his illegal Iran-Contra operations were introduced under cover of fighting drugs. The May 30, 1990 *Philadelphia Inquirer* reported that "about a dozen veterans of the Reagan administration's illicit effort to aid Nicaragua's Contra rebels have volunteered to fight the Bush administration's cocaine war in Peru." Many of these so-called "Contra hands" were heavily involved in cocaine trafficking. The Bush administration used the same financial blackmail against the government of President Alberto Fujimori in Peru, to force acceptance of its "anti-drug strategy."

### ***Pope says Gulf war cast a shadow on humanity***

In his *Urbi et Orbi* message on Easter Sunday, March 31, Pope John Paul II called the Persian Gulf war a "darkness" that "cast a shadow over the whole human community." He spoke before an audience of 150,000 that filled St. Peter's Square in Rome.

The Pope said that not war or violence, but respect of the human rights of oppressed peoples, should be the policy of today. He admonished world leaders that "a choice was made of aggression and the violation of international law, when it was presumed to solve the tensions between the peoples by war, the sower of death."

"Lend an ear, humanity of our time," he said, "to the long-ignored aspiration of oppressed peoples, such as the Palestinians, the Lebanese, the Kurds, who claim the right to exist with dignity, justice and freedom—legitimate requests repeated in vain for years."

He spoke of the Baltic republics, which have yet to satisfy "their yearning for respect for their own identity and their own history." He spoke of the famines and civil wars in Africa, and said, "I address myself to you, the leaders of nations, in this difficult hour of history, Listen to the voice of the poor. Only upon an international order in which law and freedom are indivisible for all can the society we all hope for be founded."

● **ISRAELI** Prime Minister Yitzhak Shamir, when he met President George Bush in December, took with him a dossier purporting to contain proof of Bush's involvement in the Irangate scandal, according to the Paris-based *Intelligence Newsletter*.

● **THE U.N.** was criticized by India's former U.N. ambassador D. Jaipal for giving unlimited war powers to the United States under the pretext of liberating Kuwait. He said that a similar situation is bound to occur whenever a big power goes to war against a small nation, and added that the U.N. should not decide on military action in the absence of a collective security system.

● **FRANCE'S** First Lady, Danielle Mitterrand, announced on March 28 the formation of the Institute for African Democracy, based on Gorée Island off Senegal. The institute was formed by her France-Libertés organization, a French version of the U.S. Project Democracy. A few days before her announcement, former Mali President Mbussa Traore charged that she was implicated in riots sweeping his country.

● **PRINCE IDRIS**, the son of the former king of Libya, now based in Italy, has reportedly taken charge of a dissident Libyan military force that had been trained and equipped by the CIA in Chad. Following the coup against Chad last year, the group traveled to Nigeria, Zaire, and Kenya. U.S. policy is not to overthrow Qaddafi, but rather to use such groups to weaken him.

● **THAILAND'S** military forces have launched artillery bombardment for the first time against bases occupied by drug warlords in Burma, in retaliation for the killing of two Thais on March 22. "If they do not withdraw [further back into Burma], then Thai soldiers will have to cross the border," the *Bangkok Nation* quoted an Army officer as saying.

## The presidential campaign: Dems in Bush's clothing

by Kathleen Klenetsky

There's a new game in Washington. It's called, "Will the real Democrat please stand up?" and it was prompted by the fact that the potential Democratic presidential candidates who have stepped forward so far are virtually indistinguishable from George Bush.

With the unique exception of Lyndon H. LaRouche—who, at this writing, is the only formally declared candidate for the Democratic presidential nomination, and who is currently serving a 15-year prison sentence as punishment for opposing the immoral and murderous free trade policies of George Bush and the Anglo-American establishment—the other Democratic possibilities seem to be vying with each other to see who can best make himself into a Democratic version of Bush.

The LaRouche campaign released its first campaign pamphlet in early April, and is singular in its commitment to economic growth and ending the ongoing depression. The pamphlet includes LaRouche's "Oasis Plan" to make the deserts bloom, and the strategic perspective is counterposed to Bush's policy of "technological apartheid" and the new world order.

But instead of reviving the pro-growth economic policies associated with such Democratic heroes as Franklin D. Roosevelt and John F. Kennedy, the thinking among Democratic Party decision-makers appears to go something like this: If Bush's popularity soared because he bombed Iraq back into the Stone Age, killing hundreds of thousands of people in the process, and despite the hardships which the depression has brought to the United States, then any Democrat who wants to win the presidency should essentially follow Bush's lead. He or she might want to adopt a few "Democratic" trappings, perhaps in the form of some meaningless sops to

the minorities or the elderly, but should otherwise march down the same road to fascism that Bush has blazed.

That is exactly what is happening. Over the past month, the handful of Democratic possibilities who have stepped into the limelight have all placed great stress on their ability to ram austerity down the population's throat, and have suggested that this qualifies them to lead the nation.

### **Tsongas: another Massachusetts nightmare**

This is certainly the case with Paul Tsongas, the former senator from Massachusetts who now practices corporate law in Boston, as well as with Douglas Wilder, the black governor of Virginia, both of whom have taken the initial legal steps necessary to open a presidential campaign. It's equally true of the several "big name" possibilities, such as New York's Gov. Mario Cuomo, Senators Chuck Robb (Va.) and Al Gore (Tenn.), and Rep. Richard Gephardt (Mo.), who are still testing the political waters before deciding whether to dive into the campaign.

Tsongas was expected to officially declare his presidential candidacy sometime in early April. Like the Democrats' 1988 standard-bearer, the ill-fated Michael Dukakis, Tsongas is a Greek-American from Massachusetts, and his platform represents a convergence of Dukakis's technocratism with Bush's gung-ho Teddy Roosevelt Republicanism.

Although he developed a reputation as an ultra-liberal during his tenure in Congress, Tsongas now says he underwent a transformation during his years in the private sector, through serving on the boards of numerous large corporations, and now proudly proclaims himself to be the "best friend Wall Street has ever had."

Tsongas has issued an 82-page campaign document de-

scribing his program, called "The New American Mandate." In it, Tsongas correctly asserts that the collapse of America's manufacturing-industrial base "inevitably means cataclysmic erosion of our standard of living." But the solutions he offers will not only fail to reverse the economic decline; they will actually hasten it, insofar as they are based on an anti-growth hodgepodge of protectionism, environmentalism, austerity, and population control.

Tsongas talks about the need to encourage greater investment in research and development in order to get the economy back on track, but he cannot resist placing a large share of the blame for America's decline on the shoulders of Japan and, to a lesser extent, Western Europe.

"The threat to America today is not only a diminished Soviet Union," he writes. "It is not just Saddam Hussein. It is the threat of a different dimension. It is Japanese, German, Taiwanese, Swiss, French, South Korean, etc. Friends all. But just as capable of reducing us to impotence. They have already begun. The adrenalin that Republicans would call up at will to confront Soviets or Cubans or Sandinistas or East Germans or North Koreans or the Iraqi Republican Guard must be called up to confront our friends. This is war by another playwright. But it's still war."

In other words, President Tsongas will continue the economic warfare against the world's successful economies, which the Bush administration launched.

At home, Tsongas proposes cutting entitlement programs, especially Social Security, and extending the death penalty—a platform on which any Bushie would be proud to run.

In a section on the environment, Tsongas describes himself as an "ardent and committed environmentalist," and proves it by calling for a return to the "stewardship" ethic of Teddy Roosevelt. Elaborating on what this would mean in practice, Tsongas writes that in order to establish the "principle that love of earth is mainstream America, a reflection of the best of us in all of us," the next President should proclaim the goal of "global equilibrium." This, he explains, "means the pursuit of policies and lifestyles that allow the consumption of resources to be consistent with having an inhabitable planet over the generations."

Such a zero-growth state must, by definition, require strict controls on human population growth, which Tsongas has no qualms about. "Nothing would serve the cause of environmental equilibrium as much as population control," he maintains. "No one doubts the inevitable consequences of unlimited population expansion. . . . We Democrats must care. . . . We will be judged in future years by how well and how forcefully we began the drive for a stable world population. In this regard, the New American Mandate is a moral imperative that is worldwide in its responsibility."

### **Austerity-mongers**

Fortunately, Tsongas is not in a position to put his proposals into effect—at least not yet. But the other potential Demo-

cratic presidential candidates are, and their actions manifest the same blind commitment to the no-growth, cut-to-the-bone mentality exhibited by Tsongas.

This is especially apparent in Virginia and New York, where governors Douglas Wilder and Mario Cuomo, rather than admit that they don't have a clue as to how to grow their way out of the depression, are instead trying to make a virtue out of their "fiscally responsible behavior"—i.e., austerity. Both men have taken the axe to their respective state budgets, hacking away at spending for education, the poor, the mentally ill, police, fire-fighters—all the essential elements of a functioning society.

Cuomo's eight years as governor has been marked by massive budget cuts, but this year, what he proposed was so draconian, that the political situation spun out of control. In March, 30,000 angry state workers turned out in front of the governor's office in Albany to protest the latest round of cuts, and Cuomo was forced to call out the police when some demonstrators started breaking windows. To what extent Cuomo's failure to keep the lid on will be seen as a black mark against him by his political patrons—such as Lazard Frères banker Felix Rohatyn—remains to be seen.

Wilder has gone Cuomo one step further in his emulation of the Bush mentality. Not only does he publicly boast of his willingness and ability to inflict deep budget cuts, Wilder has also embraced the death penalty as proof that he's as tough as Bush. During his 16 years as a state legislator, Wilder strongly opposed capital punishment, but abruptly changed his mind when he decided to run for the statehouse.

### **A 'new Coriolanus'?**

All this butchery pales in comparison to another Democratic dark horse, Gen. Norman Schwarzkopf, who is being bandied about as the "new Coriolanus" by a coterie that includes *New York Times* scribbler William Safire. Where Cuomo, Wilder, and Tsongas offer formulae for slashing domestic budgets and increasing executions, Schwarzkopf can put them to shame in the tough-man contest by pointing to the hundreds of thousands of Iraqis whose murder he oversaw. Whether or not Safire was right when he claimed that the Schwarzkopf-Bush dispute over the timing of the end of the ground war represented the opening shot of the 1992 campaign, Stormin' Norman has made no secret that he harbors political ambitions.

The situation among Democrats heading towards 1992 is bitterly ironic. Despite the triumphalism surrounding the Persian Gulf war, conditions actually could not be riper for a real challenge to Bush. King George has proven himself incapable of stitching together the shattered U.S. economy, and no amount of killing overseas will change that reality. Yet the only candidate who represents a true alternative to Bush sits in a Minnesota jail cell, and not one Democratic Party official has uttered a word of protest about the Bush frameup which put him there.

# Budget-cutters look to crush unions

by H. Graham Lowry

The brutal austerity being imposed in the states of the Northeast, whose enormous budget deficits are growing at a record pace, is taking a heavy toll on state workers. At stake are not only wage levels and services, but the existence of public employee unions themselves—an intended domestic casualty of the new world order.

Connecticut Gov. Lowell Weicker has ordered the layoff of more than 3,500 public employees, nearly 7% of the state's work force, as part of his scheme to meet a \$2.5 billion deficit over the next 15 months. Connecticut's total budget is only \$7 billion. Weicker's announcement April 1 of the latest round of layoffs brings the total of such jobs to be eliminated to 29,000 in the three industrial states of New York, Connecticut, and Massachusetts alone. New York City also plans to eliminate 25,000 municipal workers over the same period.

On March 19, New York's Gov. Mario Cuomo announced that his previous projection of a \$6 billion deficit for the next fiscal year had increased by another \$435 million. He then demanded an equal amount in new spending cuts and increased taxes and fees—including a plan to charge prison inmates on work release \$7 a day for room and board!

In a telling indication of things to come, Cuomo made his announcement in the face of a massive rally outside the capitol in Albany protesting the \$4.5 billion budget cuts he had previously ordered. Dubbed "Operation Budget Storm," the demonstration was organized by the state's Black and Puerto Rican Legislative Caucus, which claimed a turnout of 35,000 people. The state began the new fiscal year April 1 without a budget, and with no prospect of early passage of one by the legislature.

## **Demands for union 'givebacks'**

On March 20, New York City Mayor David Dinkins announced that his own budget deficit for next year had increased from \$2.2 billion to more than \$3.1 billion. \$600 million of the increase is the result of cutbacks in state aid ordered by Cuomo. But in a meeting that day with the heads of the city's two largest unions, Dinkins demanded labor "givebacks" as the primary austerity measure to close the new gap of \$910 million.

Dinkins proposed to gouge out \$710 million from public employees' health insurance, workmen's compensation, va-

cation pay, and costs of observing work rules and other key components of the unions' contracts. The mayor had already enraged union leaders earlier in the month by demanding they agree to defer more than 40% of their recently negotiated wage increase of 3.5% in a three-year contract. The union leaders flatly rejected the demands, unless the city's businesses would accept new taxes and the state provide assistance to ease the burden.

Pressure on the unions for wage and job concessions has been building steadily, led by Municipal Assistance Corporation chairman Felix Rohatyn; his mouthpiece in the city administration, Comptroller Elizabeth Holzmann; the State Financial Control Board, which has threatened to take over the city's finances; and Governor Cuomo himself.

Cuomo declared March 26 that the state would offer no assistance in the city's fiscal crisis unless the unions agree to givebacks. "There is no conceivable way we could provide that help unless the unions made some contributions first," he said in Manhattan. Said Barry Feinstein, representing 12,000 city workers as president of Teamsters Local 237, "Somebody should remind the governor that the new hole in the city's budget is substantially due to his screwing the city." He denounced Cuomo for demanding that the unions "give blood before they give money."

## **Connecticut unions under fire**

In Connecticut, Governor Weicker has also taken the first steps toward ripping up union contracts for public employees. His initial budget in February called for the unions to give up about \$400 million, and roughly \$275 million will now be extracted in layoffs, givebacks, and monthly two-day shutdowns which actually translate to wage cuts.

State employees will receive no pay for the days when departments close. Losing two days every four weeks means a loss of 25 days over 50 weeks—the equivalent of five weeks' pay, or a 10% wage cut for the year for the 7,000 workers not employed in health and public safety, departments which will not be affected by Weicker's shutdown plan. \$26 million in state employee wages will disappear.

Weicker has made it clear that his assault on the unions has just begun. In his televised press conference April 1, when he announced 2,600 of the 3,500 layoffs he has ordered to date, he said they were made necessary by the "failure" of the state employee unions to offer long-term cuts in benefits and wages. To circumvent their contracts, Weicker proposes that the legislature rewrite the law governing the state pension system, so that he can slash \$130 million from the fund next year. Unions whose contracts are about to expire will be presented with demands for concessions totaling an additional \$29 million.

Layoffs will begin immediately, in some cases with as little as two weeks' notice. They are the first emergency layoffs in Connecticut since 1975, when Gov. Ella Grasso dismissed 500 state employees.

# Court will hear Billington's appeal

The Virginia Court of Appeals on March 19, granted Michael O. Billington, an associate of presidential candidate Lyndon LaRouche, the right to file an appeal of his 1989 conviction for "securities fraud." The granting of the petition sets the basis for overturning Billington's conviction and barbaric 77-year sentence, in a trial before Roanoke Circuit Court Judge Clifford Weckstein.

Billington was the second defendant to be tried in Virginia Attorney General Mary Sue Terry's "Get LaRouche" prosecutions, and the second to be granted the right to a review of his conviction. On July 26, 1990, Rochelle Ascher, convicted in Loudoun County Circuit Court, had her appeal petition granted. Argument on her appeal was heard in February 1991. Ascher and Billington are both free on bond pending appeal.

The fact that both Ascher and now Billington have been granted the right to appeal is significant. Unlike most states, Virginia does not grant an automatic right to appeal in felony convictions. An appeals court was only established in 1985; prior to that, a mere handful of cases was taken up by the Virginia Supreme Court. Even today, only 24% of all appeals from criminal convictions to the Virginia Court of Appeals are even heard.

"The appeals court's decision to accept Billington's petition is a substantial victory," said Mark Summers of New York, Billington's chief counsel on the appeal. Seven of the 11 issues sought for appeal were granted. The fact that Billington's petition for the right to an appeal was granted, and like Ascher, on the number and types of issues raised, has significant implications for the continuing prosecutions by Terry's office. Trials of eight other associates of LaRouche are still pending, along with five corporations indicted in March 1987. Appeals of convictions in the trials of five others before Judge Weckstein are currently pending, with four yet to be filed, and the court of appeals yet to rule in one, the conviction of Donald Phau.

## Issues for review

The court has agreed to review both constitutional and statutory double jeopardy issues, based on Billington's being tried twice for the same acts, once in federal court and once in Virginia. Both the Virginia Constitution and state statute, as well as the Fifth Amendment to the U.S. Constitution, bar prosecution for the same crime twice. The court will also review the definition of securities given by the trial judge to

the jury, which Billington's attorneys argued misled the jury into determining that a political loan was a security. The court will also consider whether it was necessary for the defendant to have had knowledge that he was selling a security for a finding of guilt.

The court agreed to review whether hearsay testimony that the defense argued was untrue, as well as hearsay testimony of professionals and relatives substituted for lenders who did not testify themselves, was proper. Billington's attorneys argued that this was improper, violating his constitutional right to effectively rebut the evidence presented against him.

The court will also review whether the *voir dire* examination of the potential jurors by the judge prior to their seating adequately probed for bias. The issue of pretrial publicity and community bias in attempting to seat a jury in Ascher's trial—which took place in Leesburg, where LaRouche lived—was the reason Billington's trial was transferred 200 miles south to Roanoke. As in every other case in prosecutions of members of the LaRouche movement, the issue of the massive adverse, inflammatory, and prejudicial press coverage of LaRouche and his associates, was a prominent one in Billington's case. The court will also review evidence on whether there was proper venue on three of the nine counts on which Billington was convicted.

The court declined to review issues concerning the competency of Billington's counsel which arose at trial; they also affirmed the constitutionality of jury sentencing, and the propriety of using demonstrative aids such as charts and boards.

Besides preparing the appeal, Billington is in the process of filing a writ of *habeas corpus* to seek relief on those injustices which the Court of Appeals rejected: the politically sensitive issue of the gross misrepresentation by his counsel, and of Judge Weckstein forcing Billington to go to trial with a lawyer who had effectively joined with the "Get LaRouche" task force and openly aided the prosecution. It was these issues that turned Billington's trial into the travesty of justice that it was, with not just the prosecutorial task force and the trial judge's adverse decisions as adversaries, but his own defense counsel. In this sense, Billington was not only deprived of his constitutional right to the effective assistance of counsel, but essentially had two prosecutors, one of whom was privy to his defense strategy.

In the Ascher case, the appeal issues reviewed also included jury prejudice, the trial judge's instruction that all promissory notes were securities, and the judge's instruction to the jury to consider conflicting "conspiracy" (requiring intent) and "concert of action" (not requiring intent) charges.

With both the Ascher and Billington cases, the fact that Attorney General Terry's office got convictions based on novel legal theories, such as arguing that political loans are securities, could now be overturned by the Virginia appeals court.

# America's violence epidemic: police state in the making

by Marianna Wertz

When the Gulf war broke out last August, my husband, who is incarcerated in a federal prison because of the political beliefs he shares with Lyndon LaRouche, commented that the only difference for the prisoners is that the violence on the screen is real. All during the war, commentary repeatedly pointed to the "problem," that American viewers, so conditioned to violence on the TV and movie screens, were simply viewing the war as a natural extension of their favorite pastime, and therefore, cheering for the "good guys." As one astute commentator put it, "The war's major casualty was America's conscience."

Now the American Medical Association has declared that America's infatuation with violence "is a public health crisis of epidemic proportions, every bit as pervasive, virulent, and destructive as the AIDS epidemic." This statement, by Robert McAfee, M.D., vice chairman of the AMA Board of Trustees, was reported in the March 4 issue of *American Medical News*.

McAfee cites some compelling statistics.

- A recent AMA survey found that 30% of Americans said someone they knew had suffered the effects of violence in the last 12 months.

- The homicide rate for black men ages 15 to 24 has risen 40% since 1984.

- Battering is responsible for more injuries than car crashes, rape, and muggings combined, according to a recent study by the Centers for Disease Control.

One could add the fact that the number of 14- to 17-year-olds who were arrested in 1990 was 30 times what it was in 1950. And the fact that the U.S. prison system now contains over 1 million Americans.

## Recent examples

For *EIR* readers who may deliberately avoid media violence, and therefore remain in blissful ignorance about what is flooding our airwaves, let me describe a few of the latest hits. (My source on this is the *Washington Post* "Weekend" magazine of March 22.)

First, there's *The Silence of the Lambs*, which, according to Gannett News Service, "ranks with *Psycho* and *Alien* among the scariest movies ever made." The movie begins when, "on the track of a carver-killer nicknamed 'Buffalo Bill,' fledgling FBI agent Jodie Foster solicits insight from

brilliant psycho-psychiatrist Anthony Hopkins, who's in a maximum security prison for acts of cannibalism."

Then there's *New Jack City*. "It's about a lethally enterprising street gang that builds a brutal multimillion-dollar crack empire in Harlem. The gang's power becomes so awesome that undercover cops Ice-T and Judd Nelson . . . lead an unofficial special team to take appropriately powerful, state-of-the-art measures."

Finally, there's *The Hard Way*, which is about "a hard-nosed cop on the trail of a hiply psychotic serial killer and the baby-faced film idol who wants to 'get serious' by imitating him."

Media critics, uncomfortable with the unbelievable level of mayhem which is regularly portrayed on the screen, offer various reasons for it. The establishment's own *New York Times* recently ran a feature by movie critic John J. O'Connor, titled "A Rogues' Gallery of Sociopaths," which began with the two-word paragraph, "Sociopaths sell." O'Connor excuses the February spate of serial-murder and psychopathic killing specials that graced America's TV screens as the result of the "sweeps" period—the few weeks that determine stations' advertising rates. He called it the "Triumph of the Id."

*New York Times* Arts & Leisure reviewer Caryn James concludes, in her March 10 column, "The psychos and loonies of today are perfectly cast for an age inured to intense violence." This jaded view leads Ms. James to hail *The Cook, the Thief, His Wife and Her Lover*, in which cannibalism, sodomy, necrophilia, and mutilation are vividly and repeatedly portrayed, as "brilliant."

On the opposing side, PBS film critic Michael Medved, who eloquently denounces media violence as anti-family and a rejection of the Judeo-Christian ethic, concludes that the only solution to the violence epidemic is "application of free market principles and displays of private-sector determination and resourcefulness. . . ."

Is this not just a bit of "the hair of the dog that bit you?"

## The lesson of the Roman Empire

The question that nobody seems willing to ask is, who is benefiting by turning the American people into violence-crazed sociopaths?

To answer this question, we can look to history, where

many times before oligarchical elites have attempted to control populations through the use of *organized violence*. The Roman Empire was the master in conditioning the masses with “bread and circuses,” while conducting genocidal wars against the enemies of the Empire.

The great Christian theologian St. Augustine, who recounts his own climb out of the cesspit of cults and crime of the fourth-century Roman Empire in his *Confessions*, includes a vivid account of the impact that the gladiator shows—organized violence—had on the youth of his day. As he recounts, even his good friend Alypius, who ultimately joined Augustine in converting to Christianity, could not resist the lure of the blood-lust.

“At first he detested these displays and refused to attend them. But one day during the season for this cruel and blood-thirsty sport he happened to meet some friends and fellow-students returning from their dinner. In a friendly way they brushed aside his resistance and his stubborn protests and carried him off to the arena.

“‘You may drag me there bodily,’ he protested, ‘but do you imagine that you can make me watch the show and give my mind to it? I shall be there, but it will be just as if I were not present, and I shall prove myself stronger than you or the games.’

“He did not manage to deter them by what he said, and perhaps the very reason why they took him with them was to discover whether he would be as good as his word. When they arrived at the arena, the place was seething with the lust for cruelty. They found seats as best they could and Alypius shut his eyes tightly, determined to have nothing to do with these atrocities. If only he had closed his ears as well! For an incident in the fight drew a great roar from the crowd, and this thrilled him so deeply that he could not contain his curiosity. Whatever had caused the uproar, he was confident that, if he saw it, he would find it repulsive and remain master of himself. So he opened his eyes, and his soul was stabbed with a wound more deadly than any which the gladiator, whom he was so anxious to see, had received in his body. He fell, and fell more pitifully than the man whose fall had drawn that roar of excitement from the crowd. The din had pierced his ears and forced him to open his eyes, laying his soul open to receive the wound which struck it down.”

### Justifying state-run lawlessness

A clue to unraveling the answer to the question—who benefits from this purposeful spread of violence in the media?—is the recurring theme of current box office hits, cable television, and regular programming, as with two of the above examples: justified lawlessness by the police. Movie after movie now depicts a situation where police officers resort to murdering their suspects, often when these suspects are either handcuffed or disarmed. The justification, whether stated explicitly or merely hinted at, is that these criminals *deserved to die* and, given the laxity of the courts, would



eventually go free if allowed to live.

In order to understand how this works, the reader should put himself in the place of a would-be tyrant and try to imagine what he would do if he really wanted to impose a police state on this nation. Wouldn't it be easiest if the American people were to *demand* a police state, for their own protection?

Those who deliberately promote violence in the media know, as Augustine did, that violence, like any sinful activity, conditions those who partake, to accept it, indeed to crave it. In the resulting general climate of violence, in which honest citizens fear for their lives, the non-violent majority will inevitably begin to demand increased police-state measures for their own protection.

The same people who cheer for the cop who kills the psychopath to keep society free of crime, also cheered “our boys,” when they bombed Iraq back to the Stone Age, to keep the world safe for democracy. Even the dope pushers, bank robbers, and arsonists in my husband's prison cheered for the GIs.

The Gulf war was a case study for the Bush imperialists, bent on imposing a police state on this nation, in order to maintain their control in an escalating economic collapse. They tested whether the American people's conditioning to violence could be carried over to support for *real* state-run violence against an “upstart” nation. Unfortunately, they found the answer to be a resounding yes.

# Supreme Court and Justice Dept. federalize police brutality

by Leo F. Scanlon

On March 6, President George Bush told the nation: "Tonight I call on Congress to move forward aggressively on our domestic front. Let's begin with two initiatives we should be able to agree on quickly: transportation and crime. If our forces could win the ground war in 100 hours, then surely the Congress can pass this legislation in 100 days." Desert Storm made this possible, he said, since the war had "transformed a nation at home."

Within hours of these remarks, a group of Los Angeles policemen was videotaped administering a fierce beating to an apparently helpless citizen—with all the spirit, gusto, and martial force the President had so earnestly called for. Los Angeles Police Chief Daryl Gates made the connection between the mind-set of his officers and the President's exhortations when he said, "I'm kind of proud of the fact that most of the people who disliked George Bush and disliked what we were doing in the Middle East and giving him hell, they're the same people who are attacking me."

With that statement, Chief Gates shoved his department deep into the snares of a long-standing federal effort to subordinate local law enforcement to the political direction of the FBI and the Department of Justice. Attorney General Richard Thornburgh immediately rushed to establish a federal task force to prosecute the Los Angeles police. Bush (who shamelessly condemned millions of Iraqi children to death from starvation and disease) pronounced himself "sickened" by the incident. A blue-ribbon commission has been formed to investigate, and every police department in the country has been put under the federal microscope.

Meanwhile, the Supreme Court carried out an equally brutal attack on the Constitution itself, with a decision which legitimized the use of coerced confessions in criminal trials. If the Bush administration has its way, this decision will usher in an era in which the courtrooms will be as barbaric as the streets.

## Setting the stage for police brutality

The LAPD is only one of a number of local police departments which are due to be put under FBI stewardship as the Bush team uses its "War on Crime" to conduct "conspiracy"

investigations and sting operations against local politicians. The current hue and cry is motivated by the need to control such local networks—and nothing else. Indeed, it is the Los Angeles City Council, the American Civil Liberties Union (ACLU), and the FBI itself which must be held responsible for encouraging acts of gratuitous violence by the police.

It is a sad fact of American life today, that the beating administered to Rodney King is a commonplace on urban streets. Underpaid, undertrained, and outnumbered police are facing a growing subculture of drug-induced violence. Especially unnerving are the psychotic outbursts characteristic of the crack and PCP addict—outbursts which can easily require 10 to 15 burly men to restrain even the smallest adult. Cash-strapped police departments have been encouraged to substitute brute force for skilled manpower in such situations, and have found extensive training in "pain compliance" techniques, plus funding for paramilitary SWAT units, liberally provided by the federal government. The result is often a mix of police tactics which aren't suited to the treatment of rabid animals, much less human beings.

Bush's Department of Justice has aggravated the problem by monopolizing tax revenues otherwise intended for local law enforcement agencies. Rep. Robert Wise (D-W. Va.) has accused the Bureau of Justice Administration of misappropriating over \$43 million in such funds, spending them on programs designed by the DoJ. James Gurule, the Office of Justice Programs official who oversees the scam, told Congressman Wise that this is exactly what the law calls for. "The BJA is only required by this law to fund programs directly benefiting the state and locals," he said. And of course, what most benefits state and locals in his view, are FBI-directed sting operations, white collar forfeitures, and other political shenanigans which have little impact on street crime.

The FBI has further contributed to declining standards for law enforcement by revising its rules governing the use of deadly force. At one time considered the standard for conservative rules on the firing of a weapon, the FBI this year issued guidelines which permit agents to fire at suspects fleeing a crime scene, and permit the Wild West practice of

firing “warning shots.”

But the loudest voice calling for gratuitous brutality of the type alleged to have been committed by the LAPD, is the Los Angeles City Council itself, which has a very different definition of brutality when it comes to political groups which are not under FBI protection. Exactly two years ago, the LAPD carried out a plan drawn up by the city council, which directed the police to beat and torture passive protesters from the Operation Rescue movement, during a sit-in in front of an abortion clinic. The gruesome scenes of officers with name tags and badges removed administering “pain compliance” (torture) techniques, beating old women, and brutalizing a 70-year-old Catholic bishop, were videotaped as well—but they didn’t make national headlines, and the Justice Department has never prosecuted.

The beatings were the result of a five-month campaign mandating the police to act in this manner, a campaign led by Councilmen Zev Yaroslavsky and Michael Woo, and Mayor Tom Bradley—the very people who are now demanding the head of their martinet, Mr. Gates. Councilman Woo actually found the original arrest plans presented by Gates to be too civil, and expressed “some confusion and concern on what will happen” at the protest, then warned “we will be working with police so that we are all prepared and are all ready on March 22.” The LAPD got the message, and proceeded to break arms and smash faces, while Woo and Yaroslavsky stalked watchfully in the background.

In the intervening two years, the Bush administration has delivered that message again and again. Twenty thousand troops were sent into Panama, killing thousands of civilians and destroying a nation for the alleged purpose of arresting “drug pusher” Noriega. Chairman of the Joint Chiefs of Staff Gen. Colin Powell called the most ferocious bombing campaign in human history “a party,” and said the murder of hundreds of thousands of innocent civilians was needed to stop “the criminal” Saddam Hussein. That’s the message the LAPD got loud and clear.

Yet, even after toadying for the Bush administration, Daryl Gates finds himself facing more plagues than Pharaoh. A blue ribbon commission headed up by Carter administration official Warren Christopher and Harvard criminologist James Q. Wilson has been formed to reorganize the LAPD, targeting the civil service structure which insulates the police chief from political pressures. Already, Gates has been humiliated by being forced into an unprecedented leave of absence by the scandal.

### **Supreme Court’s ‘civic inquisition’**

The real policy shift which underlies the “about-face” by the Department of Justice on the police brutality issue was illuminated by a Supreme Court ruling handed down on March 26. The bitterly divided court presented a decision in the case of *Arizona v. Fulminante* which established, for the first time American law, the principle that a coerced

confession is legitimate evidence in a criminal trial.

The case involved a murder conviction secured on the basis of a confession made by the defendant to a fellow prisoner who was an FBI informant. The Arizona Supreme Court ruled that the confession was coerced, and the trial thus invalid, since the defendant had been threatened by prisoners, and the informant had offered “protection” in return for the confession. The Supreme Court majority affirmed this judgment, but then opened a Pandora’s box by asserting that the confession could have been subjected to a “harmless error” test, to determine whether the verdict would have been the same with or without the illegally obtained confession. The harmless error concept has been used with increasing frequency since about 1967, to whittle away at the Warren Court protections against overzealous prosecutorial techniques.

Justice Byron White delivered a dissent, taking the unusual and demonstrative step of delivering his remarks from the bench, and pointed to the unbroken line of cases which have established that “the use of coerced confessions, ‘whether true or false,’ is forbidden ‘because the methods used to extract them offend an underlying principle in the enforcement of our criminal law: that ours is an accusatorial and not an inquisitorial system’ ” and which also support “ ‘the deep-rooted feeling that the police must obey the law while enforcing the law; that in the end life and liberty can be as much endangered from illegal methods used to convict those thought to be criminals as from the actual criminals themselves.’ ”

The message that is being sent to prosecutors by the Court’s action is, “Get it right next time.” This was underlined by Justice Anthony Kennedy, who agreed with Justice William Rehnquist, that the confession should not have been considered coerced, even if it was improperly introduced. This is remarkable in light of the fact that the informant, Anthony Sarivola, is identified by the Court as a corrupted former police officer, who may have cooked up the entire story, and certainly was involved in creating the threats used to pressure Fulminante. The Court says that “his overzealous approach to gathering information for which he would be paid by authorities was revealed by his admission that he had fabricated a tape recording in connection with an earlier, unrelated FBI investigation.” It is no surprise to learn that “his eagerness to get in and stay in the Federal Witness Protection Program provided a motive for giving detailed information to authorities.”

The administration’s campaign against the LAPD is designed to further this rotten approach to law. It is another step toward a federal police force where the patrolman is replaced by the prosecutor. The administration promises the citizen a spectacle of vengeance, retribution, and even televised executions, but it eliminates the deterrence of the uniform on the street. It makes the slimy informant the king of the courtroom—and that is what a police state is all about.

## Senate adds conditions on lifting Iraq sanctions

Not to be out-done by the United Nations Security Council, the U.S. Senate passed a resolution on March 22 requiring of the President that he not lift sanctions against Iraq until that nation "has released all prisoners of war and has accounted, as fully as possible, for all those missing in action, including Kuwaiti civilians and military personnel captured during the Iraqi occupation of Kuwait."

## Higher dairy prices rejected in conference

U.S. dairy farmers were doublecrossed on March 21 when a House-Senate conference committee on the 1991 Dire Emergency Supplemental Appropriations Bill, rejected a provision which would have provided at least some minimal assistance for the nation's economically hard-hit dairy farmers.

Under the threat of a veto by the Bush White House, the committee deleted the provision, in spite of the fact that the measure was considered "budget-neutral."

The measure, sponsored by the two senators from Vermont, Patrick Leahy (D) and Jim Jeffords (R), was not a major boost to the rapidly falling dairy prices, which have seen a 25% drop in the last few months, but it would have provided a little more support, \$1.20 per hundred pounds of milk, for most farmers. Dairy farmers estimate that they need over \$20 per hundred pounds in order to break even, while they are presently getting \$10 for a hundred pounds.

The measure had the support of 60 members of the U.S. Senate. But the opponents of the amendment are using

the fallacious argument that the rise in the milk price to farmers would deprive many pregnant women from participating in the government-sponsored Women, Infant, and Children (WIC) program, since the government would cut their purchases of milk for the program. However, the drop in dairy prices has not resulted in lower prices to consumers.

## Gonzalez blames usury for U.S. economic crisis

House Banking Committee chairman Rep. Henry B. Gonzalez (D-Tex.), warned his colleagues on the floor of the House on March 21 that the country is grossly underestimating the economic crisis now engulfing it. He especially noted the devastating effect that usurious interest rates have had on the U.S. economy.

At a time when highly doctored statistics are being used to convince voters that the "recession" is lifting somewhat, Gonzalez warned that there is "no perception at this point, in or out of the Congress, in or out of the Executive branch, or in or out of the general media as to the depth, the complexity, or the difficulty of the crisis."

Gonzalez noted that there is a general attitude "to say that we are going to go ahead and do business as we have in the 20th century and just patch it up as we reach each crisis." Not only the problem with the savings and loan crisis (now rapidly spreading to the commercial banking industry), but also the rapid movement of huge volumes of money around the globe, are creating a crisis of global dimensions, he said.

Gonzalez said that usurious interest rates have had a devastating effect

on U.S. industry and that maintaining the bloated U.S. financial structures by a rapid influx of foreign investment has led to the devaluation of the U.S. dollar "to the point where it has lost 60% of its value or more." This will lead to the dollar being replaced as an international reserve unit, he warned. Gonzalez contends that "if that happens, we will have a catastrophe," since all U.S. debt—private, governmental, corporate—"will have to be paid back in somebody else's currency."

As a lone voice crying in the wilderness of the U.S. capital, Gonzalez echoes the concerns often voiced by U.S. presidential candidate Lyndon LaRouche, who was imprisoned for being the "Cassandra" warning of the deluge which was about to engulf the United States if the policy directions of the last 25 years were not quickly reversed.

## Democrats try to out-gun Bush on Persian Gulf

Senate Majority Leader George Mitchell (D-Me.), interviewed on the NBC News program "Meet the Press" on March 31, said that President Bush should encourage U.S. planes to shoot down Iraqi helicopters engaged in fire missions against Kurdish rebels. He was seconded by Rep. Lee Hamilton (D-Ind.), chairman of the House Foreign Affairs subcommittee on Europe and the Middle East who thought that such action would help to "ratchet up the pressure a little bit." These Democratic leaders, who had opposed the the military operations in the Persian Gulf seem now to be attempting to out-gun Bush on the issue of military action in order to undermine Republican accusations that

the opponents of the Persian Gulf war were "appeasers" of Iraqi President Saddam Hussein.

Rep. Robert Torricelli (D-N.J.), a member of the House Foreign Affairs Committee and a strong supporter of Bush's decision to go to war against Iraq, commented that perhaps Mitchell and Hamilton were trying to "get to the other side of George Bush" after having opposed him on the war.

The administration has been holding back on such a decision, although the first meetings with Kurdish and Shiite rebel leaders, who were to arrive in Washington the first week in April, are scheduled with a team of officials of the U.S. State Department headed up by the Assistant Secretary of State for Middle East Affairs, John Kelly. Negotiations with the rebel leaders have been previously conducted by officials of the British Foreign Office.

## Congress offers stop-gap measures for drought

Rep. George Miller (D-Calif.) introduced on March 21 a bill, the Reclamation States Emergency Drought Relief Act, which at best would attempt to regulate the present drought now facing California and other states in the far west.

The bill would allow the secretary of the Interior Department to move water to where it is most needed and to "assist willing buyers and sellers of water to make transactions," i.e., those who have the money can buy water. Other sections of the bill would give the secretary "permanent authority" to respond to drought conditions, rather than waiting until Congress provides emergency authority.

The overall orientation of the bill,

as indicated by the remarks of Rep. James Hansen (R-Utah) when it was introduced, would be to "mitigate drought losses" and to "move water and store water currently not allowed under existing law."

The bill is intended as a form of "crisis management" approach rather than an attempt to solve the serious drought in the west. Only a re-introduction of projects such as the North American Water and Power Alliance (NAWAPA), a project sponsored as legislation in Congress in the 1960s by former Senator Frank Moss (D-Utah), can provide the necessary water. NAWAPA, which would bring water from the Canadian northwest through a system of canals and artificial rivers into the American west, would increase by 50% the fresh water currently available to the lower 48 states.

Unless Congress is able to break through the "budget deficit" syndrome, however, the western United States is in for a long dry spell.

## Threat to cut off food aid to Sudan

In an escalation of the attempts to undermine the government of the Republic of Sudan, Rep. Tony Hall (D-Ohio), chairman of the House Select Committee on Hunger, is threatening to use food as a weapon to bludgeon Sudan into submission to U.N. control.

Hall is calling for tighter U.N. control over world food supplies. In an article in the April 1 issue of the *Christian Science Monitor*, Hall demands new, sweeping powers be given to the United Nations to control food. He calls, first, for a U.N. Convention on the Right to Food, which

would "spell out specifically how the right to food should be understood and enforced."

Secondly, he is calling for the creation of a post of Undersecretary for Humanitarian Affairs, which would "have the exclusive responsibility for organizing relief efforts at the first indication of a crisis."

Hall vents his ire particularly at Sudanese President Hassan El Bashir, since El Bashir has been insistent that relief organizations must be invited into a country, in order not to violate the sovereignty of that country. Sudan has been particularly targeted for this type of pressure because it had the courage to ally itself with Iraq during the Persian Gulf war. There have been ongoing operations by U.N.-affiliated non-governmental organizations to undermine the government of El Bashir in the ongoing civil war there.

On March 21, the government of Sudan also came under fire by Republican Senators Don Nickles (Okla.) and Nancy Kassebaum (Kan.). Nickles claimed that "the government of Sudan has yet to demonstrate a sustained willingness to address issues of human suffering."

Kassebaum demanded that "the international community must focus on the crisis in Sudan." Kassebaum called for greater U.N. coordination of relief efforts, and urged Secretary of State James Baker III and President Bush "to become actively involved in this issue." Kassebaum also insisted that the Sudanese government should be "as cooperative as possible." The U.S. ambassador to Sudan and most U.S. Embassy personnel had left Sudan during the Persian Gulf war, but, according to Kassebaum, were "anxious to return."

In all likelihood, Sudan will be one of the next countries targeted by Bush's new world order.

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# National News

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## SBA investigates Neil Bush oil company

The Small Business Administration has been examining the relationship between Neil Bush's Apex Energy Co. of Denver and two firms run by Louis Marx Jr., a longtime friend of President Bush, AP reported March 22.

Apex was formed in May 1989 from a \$2.3 million investment by Wood River Capital Corp. and its subsidiary, Bridger Capital Corp; the two firms took a 49% interest in Apex, while Neil Bush and his partner Brent Morse took 51%. Both Wood River and Bridger are "small business investment corporations" (SBICs), non-profit companies that provide venture capital for start-up firms using federally guaranteed funds. The investigation was initiated last December at the request of Rep. Patricia Schroeder (D-Colo.).

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## Defendants sentenced in Virginia 'LaRouche' trial

Anita and Paul Gallagher, and Laurence Hecht, defendants in the Virginia "Get LaRouche" prosecutions of associates of Lyndon LaRouche on "securities fraud," were freed on bond pending appeal after being sentenced on March 28 to 39, 34, and 33 years in prison, respectively.

Judge Clifford Weckstein had shown some sensitivity to rising concerns about the barbarity of the jury sentences being given to the LaRouche defendants for the novel crime of sale of political securities. Weckstein said that "sentencing guidelines do apply to jury trials, they just don't apply to securities fraud charges." He then pronounced sentences which reduced the jury recommendations by 7 years for each defendant.

Attorney Edwin Vieira pointed out that when the defendants were indicted in February 1987, neither they nor State Corporation Commissioner Lacy knew whether these loans were "securities." Her ignorance was

dealt with by appointing her to the Virginia Supreme Court; theirs, by sentencing them to prison. As for the value of "detering others" which prison sentences are supposed to have, Vieira noted that the other major political parties and figures in Virginia are completely undeterred, since they continue to take political loans, fail to repay them, and brag about it to the press, while prosecutor Russell claims that "all political loans are securities."

In action on another of the "securities fraud" cases, the Virginia Court of Appeals upheld the ruling by Weckstein which prohibits Don Phau from soliciting contributions while on bond pending appeal.

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## Pro-life groups score magazine for euthanasia

Nearly a dozen organizations have signed a letter initiated by the Club of Life protesting *Scientific American's* advocacy of Nazi euthanasia in the United States as it is now practiced in the Netherlands.

Staff writer John Horgan's sympathetic report, "Death with Dignity: The Dutch explore the limits of a patient's right to die," appeared in March. While *Scientific American* has seen fit to print the proposals of Dutch lawyers who advocate killing the mentally ill and sick minors who ask for euthanasia over their parents objections, editor Jonathan Piel fired science writer Forrest Mims III. Mims, who has published 60 books on science, who writes for Christian magazines, and does not accept Darwin's theory of evolution, was told by Piel that he had beliefs and attitudes "in conflict with editorial positions and trends and traditions in this magazine."

The Club of Life letter to Piel reminded him that the Nuremberg tribunals were held so "that the world would never again experience the heinous killing of persons regarded as 'useless eaters' and 'burdens' " upon society.

"Horgan may be writing a 'science' column for a 'science' journal, but he is advocating the opposite of science, whose purpose is the enhancement of the human condition. What kind of 'science' is Horgan

espousing by advertising the Hemlock Society's suicide campaign of sleeping pills and a plastic bag over the head?" the letter asked.

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## Virginia court strikes fines levied on miners

On March 26, by a 2-1 ruling, the Virginia Court of Appeals struck down \$31 million in fines levied at the state level against the United Mine Workers of America. That decision will lay the basis for the dismissal of the remaining \$22 million in fines also levied at the state level on similar grounds. The Court's action comes months after the federal government dropped its fines against the UMW. Virginia Attorney General Mary Sue Terry had refused to drop the remaining state fines.

The fines stemmed from the Pittston strikes of 1989. During the strike, some of the fines were levied in response to peaceful marches and picketing by union members, while others were the result of several incidents of violence, which were widely perceived at the time as designed to provoke fines against the union.

By vacating the \$31.3 million in fines, the court has reaffirmed the right of the UMW to continue to exist as a labor organization. The fines could have bankrupted the UMW's treasury.

During the strike, Nancy Spannaus, who was running against U.S. Sen. John Warner (R), made several statements opposing Mary Sue Terry's repression of the miners because it represented the same mentality with which Terry has gone after her chief political opponents, Lyndon LaRouche and his associates.

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## Bush nominee defends mutilation

Kenneth L. Ryskamp, George Bush's nominee to a federal appeals court, justified physical mutilation of defendants as a deterrent to crime. Senate Judiciary Committee mem-

bers, who were considering the nomination in mid-March, were reported "dumbfounded" by the remarks.

The controversy developed during an examination of remarks Ryskamp made from the bench during a police brutality trial in Florida. The West Palm Beach police case was a consolidation of suits by four plaintiffs bitten by police dogs, two of whom were never charged with a crime. According to the court record, the dogs were trained to "bite and hold" and attacked more frequently than experts said they should. The police department kept a "bite book" of photos.

The evidence showed that a dog, released by an officer, attacked one plaintiff while he was spread-eagle on the ground. An officer told a dog to attack another plaintiff while he was asleep in a drunken stupor.

Ryskamp, who told the committee two of the plaintiffs were remorseless thieves, said from the bench: "I think of countries where if you are guilty of a robbery, they cut off your hands as a vivid reminder that this is forbidden. It might not be inappropriate to carry around a few scars to remind you of your wrongdoing in the past, assuming the person has done wrong."

## Jews seek curb on 'special' Israel ties

The Jewish Committee on the Middle East, composed of American Jewish professors at over 145 universities, has taken out ads in 50 publications attacking the U.S. "special relationship" with Israel.

A leaflet by the group distributed in Congress in mid-March, attacks the Israeli repression of the Palestinians. "Events taking place today are all too reminiscent of the pogroms from which our own forefathers fled two and three generations ago—but this time those in authority are Jews and the victims are Moslem and Christian Palestinians," reads the leaflet.

The professors call for a complete re-evaluation of the American sponsorship of Israel. "We believe economic aid should be greatly reduced until Israel agrees to self determination for the Palestinian people

along with withdrawal from the Occupied Territories pending mutually agreed security guarantees." They also call for a reduction of military and intelligence assistance to Israel "to demonstrate American refusal to endorse Israeli policies."

The advisory board of the committee, which was formed in 1988, includes Noam Chomsky, Yigal Arens, Richard Falk, Don Peretz, Henry Schwarzschild, Prof. Joel Beinen of Columbia University, and Prof. J. David Singer of the University of Michigan at Ann Arbor.

## FBI's Sessions brags of relationship with ADL

FBI Director William Sessions addressed the national leadership conference of the Anti-Defamation League (ADL), a group notorious for its links to the drug trade and organized crime, in Washington on March 25, and said that the ADL had a "solid relationship" with the FBI. "We have worked together over the years and will work together in years to come."

Sessions noted how the ADL had assisted in formulating the Hate Crimes Statistics Act, which provided the basis for criminal prosecution for hate crimes signed by Bush on April 23, 1990. Sessions said that the FBI would continue to investigate hate crimes and to "prevent them from occurring." He also said that the the FBI "must also combat the apathetic majority [of citizens] which allows these crimes to occur."

Under questioning, Sessions said that during the Gulf war when many Arab-Americans were being brought in for questioning by the FBI in their investigation of "terrorism," the ADL had been in continual contact with the FBI and had concluded that there was no basis for the allegations of harassment raised by the Arab-American community.

In response to another question about whether he thought that "hate crimes" were on the rise due to the awful economic situation the country was facing, Sessions said that he was not competent to answer that, but that he would leave it to the judgment of the sociologists.

## Briefly

● **THE OFFICE** of Management and Budget sent a directive to the Internal Revenue Service to concentrate on auditing lower-income taxpayers rather than wealthy individuals and businesses, because revenues could be collected faster from those who generally cannot afford lawyers and accountants, the March 21 *Wall Street Journal* reported.

● **RISING POVERTY** threatens to relegate Texas to the status of a "Third World nation within our lifetime," said Ron Lindsey, state commissioner of human services, in a March 29 letter. He said that 3 million Texans and one out of every four children in Texas lives in poverty, and more than 420,000 children are at risk for abuse or neglect.

● **THE NAVY** has charged two anti-war sailors, Airman Apprentice Abdul H. Shaheed and Seaman Apprentice James L. Moss, with mutiny for allegedly plotting sabotage and kidnaping of the captain of the USS Ranger in January, AP reported March 30. The sailors say they are being singled out because they are Muslims, and the plot was made up by another sailor.

● **MARIJUANA** is being provided to AIDS patients by the U.S. government, the March 24 *Washington Post* reported. One couple in Florida received "a can of 300 meticulously rolled joints, filled with marijuana grown under contracts at a highly secure, U.S. government marijuana farm in Oxford," Mississippi.

● **NASA** announced more cuts in the budget for Space Station Freedom during March, cut back plans for its size and operational capability, and delayed its projected operational starting date until the turn of the century.

● **THE U.S.** has asked Israel to extradite Rachel and Robert Manning, the alleged assassins of Alex Odeh, a leader of the Arab-American Anti-Discrimination Committee, the State Department confirmed March 25.

### *Lessons of the Soviet strikes*

In March 1991, mass unrest broke out in the Soviet Union. Tens of thousands defied a Gorbachov ban on demonstrations, and other tens of thousands of soldiers and police were deployed to contain the protesters. As of this writing, industrial strikes have spread from mining to other sectors across the union, with no end in sight as workers demand relief from their desperate economic conditions.

An uneasy standoff prevails between President Gorbachov and his apparent rival, Russian Federation President Yeltsin. Yet, both men appear ready to unveil variants on a scheme to accept International Monetary Fund dictates which will speed the deadly collapse of the Soviet Union—a state which still possesses one of the world's most formidable nuclear military machines. Both appear to be vying to prove who can better suppress the strikes.

Is it really only a little more than a year ago, that the world looked hopefully toward the peaceful revolutions in Eastern Europe, and many people believed, with well-founded optimism, that Europe stood on the threshold of a new golden age? The peaceful revolutions in Eastern Europe were made by people who took to the streets for the ideal of freedom. But without an economic program, their efforts were bound to be undermined.

At the time, Lyndon LaRouche, the author of the "Productive Triangle" program, warned that Europe would only meet the historic challenge if it broke with the bankrupt economic system of Karl Marx and the equally bankrupt economic system of Adam Smith, and returned to the proven economic theory of Friedrich List. Otherwise, he foresaw, Europe would be plunged into chaos by the dynamic of the two decaying superpowers. LaRouche urged a break with what Pope John Paul II, in his encyclical *Sollicitudo rei socialis*, called the "structures of sin in East and West," collectivist Marxism and liberal capitalism. He called for a third way, an economic policy consistent with the principles of Christian morality. LaRouche and the Schiller Institute's collaborators presented their 200-page study on the European-wide infrastructure program to every Eu-

ropean government—at their own expense.

Unfortunately, instead of setting national priorities for the benefit of all society and directing the relevant credit to be generated, the continental European governments left it to the Anglo-American dominated "free market" to define economic policy for the East. These financial circles prescribed snake-oil remedies oriented toward the short-term profit of Western financial sharks. Instead of building up an internal market, these managers and experts, schooled in social Darwinism, marched in looking for quick markets for Western goods, or to buy up real estate and factories at fire-sale prices.

The resulting economic disaster, aggravated by the Gulf war's impact on energy supplies and now the U.S. demands for tribute to pay for that genocidal adventure, has unleashed social ferment all over Europe, East and West. There is only one peaceful solution to this crisis: implementation of LaRouche's "Triangle." Supporting this policy is also the only way for the United States to redeem itself from the moral debacle of the Gulf war.

Thanks to the efforts of the Schiller Institute and *EIR*'s collaborators and supporters, the report on the Productive Triangle has been printed and circulated in Polish, Czech, Hungarian, Romanian, Croatian, and Russian. In Italy, the business magazine *Notiziario Industriale* dedicated four pages, with maps and graphs, to the program. In Hungary, the magazine of the political prisoners' organization, *Ahon*, ran a long article reporting on a Triangle conference in Budapest co-sponsored by the Schiller Institute. The report is about to appear in Italian and French. A new German paperback version is expected to become a best-seller. *EIR* is preparing a new edition in the language of the most populous "captive nation" of them all: American English.

The Russian strike wave reminds us that this is both a question of relieving human suffering and providing political stability to prevent a conflict that could become a civil war there, and even turn into a new world war. The Triangle must therefore be at the top of everyone's agenda.

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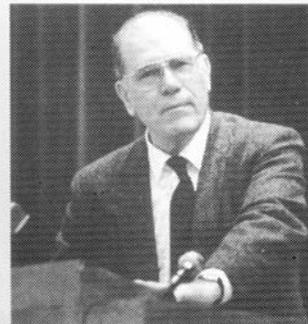
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